



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD



# INTEGRATED ANNUAL REPORT

2022/23





CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

MAKING PROGRESS  
POSSIBLE.

TO  
GET  
TOGETHER.

ANNUAL REPORT 2022/23

# TABLE OF CONTENTS

<b>1. ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT</b> .....	<b>4</b>
1.1 Vision .....	6
1.2 Values and ethics .....	8
1.3 Message from the Executive Mayor .....	10
1.4 Statement by the City Manager .....	12
1.5 City's business context .....	14
<b>2. BASIS AND PREPARATION OF REPORT</b> .....	<b>26</b>
2.1 Scope and reporting boundaries .....	28
2.2 Materiality .....	28
<b>3. CITY AND REPORTING GOVERNANCE</b> .....	<b>30</b>
3.1 Legislative requirements and frameworks .....	32
3.2 Assurance process .....	33
3.3 Alignment with King IV principles .....	36
<b>4. BUSINESS MODEL</b> .....	<b>38</b>
4.1 Strategic priorities, and alignment with the sustainable development goals .....	40
4.2 Integrated business and value creation model .....	42
<b>5. RISKS AND OPPORTUNITIES</b> .....	<b>50</b>
5.1 Key strategic risks .....	52
5.2 Specific core business risks .....	53
<b>6. STAKEHOLDER ENGAGEMENT</b> .....	<b>54</b>
<b>7. PERFORMANCE AGAINST OUR STRATEGY</b> .....	<b>60</b>
7.1 Summary of the annual financial statements for 2022/23 .....	62
7.2 Economic growth .....	64
7.3 Basic services .....	68
7.4 Safety .....	83
7.5 Housing .....	88
7.6 Public space, environment and amenities .....	93
7.7 Transport .....	100
7.8 A resilient city .....	107
7.9 A more spatially integrated and inclusive city .....	112
7.10 A capable and collaborative city government .....	115
<b>8. APPENDICES</b> .....	<b>122</b>
8.1 Appendix A: Consolidated annual financial statements .....	124
8.2 Appendices B-D: Annual performance reports .....	313
8.3 Other appendices .....	368



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## INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The City of Cape Town's integrated annual report provides an overview of the municipality's delivery on its strategic plans and initiatives outlined in the Integrated Development Plan (2022-2027). We are emboldened by our vision for Cape Town to be a city of hope for all, and we are making progress across a range of strategic priority areas.

# 1. ORGANISATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT



# 1.1 VISION

Having endured the injustices and oppression of apartheid, the people of South Africa were jubilant when the country's new democracy dawned. But today, many still face the challenges of poverty and unemployment, and the fear of violent crime.

Our vision is for Cape Town to be a city of hope for all – a prosperous, inclusive and healthy city where people can see their hopes of a better future for themselves, their children and their community become a reality.

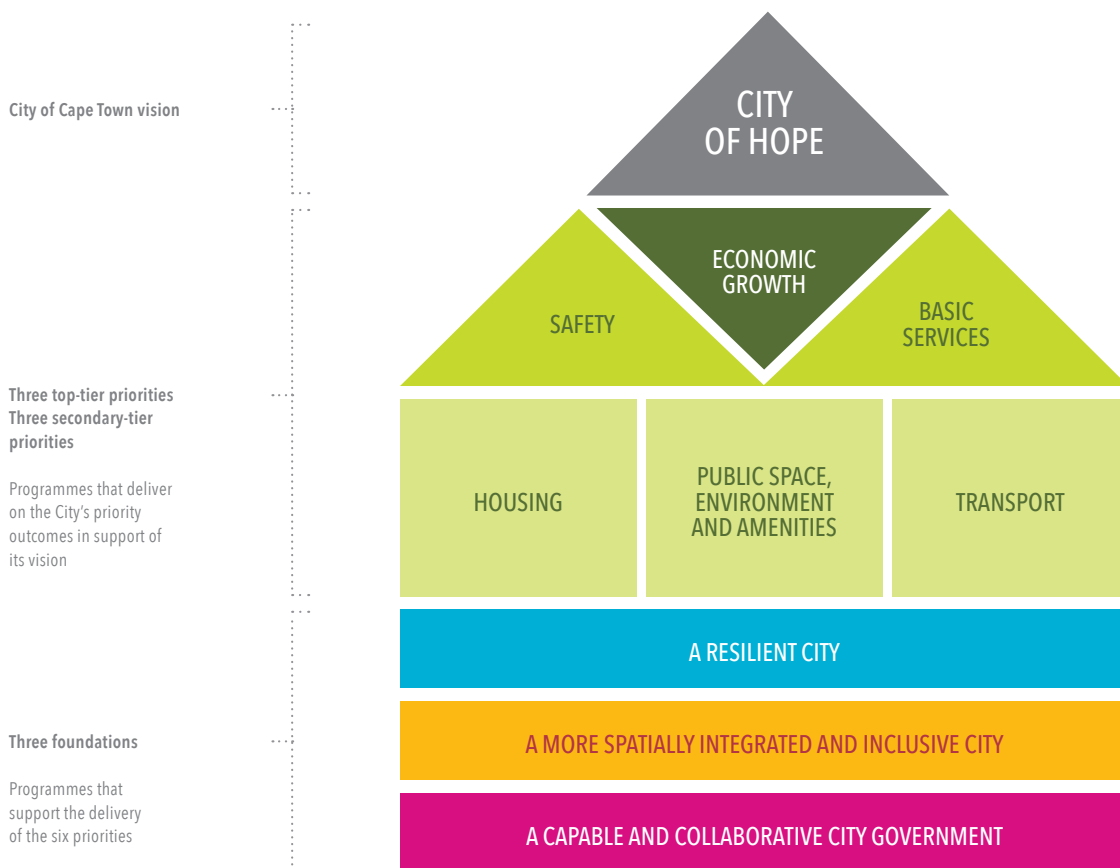
As a dedicated and determined local government, the City is working to create an environment that fosters faster and more far-reaching economic growth, leading to more Capetonians having the opportunities they need to lift themselves out of poverty. This is the top priority that underpins everything we do.

Our aim is to make Cape Town a shining example of what is possible in South Africa when people and organisations

work together. We strive to create a city where people's life chances are steadily improving and poverty is eradicated; a city where each citizen feels secure, knowing that their government is capable and accountable in delivering the basics. We envision a city built on good governance, where the economy can flourish and bring investment and jobs; a city that is free of public infrastructure failure and corruption.

To fulfil our vision for Cape Town, we know that we must provide the foundation necessary to improve people's lives. We must use the public resources entrusted to us to create a city that is more caring, inclusive, prosperous, united, respectful, safe and free.

The following diagram depicts the City's key focus areas up until 2027. We have prioritised six areas in particular, the most important being economic growth to reduce poverty. These priorities, in turn, rest on three essential foundations for realising our goal of making Cape Town a city of hope.





An aerial, top-down view of a soccer field. The field is dark grey with white dashed lines. Several players in purple and orange kits are scattered across the field. A yellow ball is in the center. The background features a large, textured, orange-brown shape resembling a mountain or a large rock formation. In the bottom left corner, there are large, vibrant pink and red flowers. In the bottom right corner, there are smaller pink flowers and a large, dark, abstract shape. The overall scene is a mix of natural and artificial elements, suggesting a connection between nature and urban development.

# "CAPE TOWN RANKED BEST METRO MUNICIPALITY IN SA BY RATINGS AFRIKA"

MAY 2023

# 1.2 VALUES AND ETHICS

The City has adopted the following five core values that reflect its organisational priorities in line with the Integrated Development Plan 2022–2027. These values inspire the culture of a city of hope and provide a consistent point of reference to inform our behaviours, decisions and outcomes.

We are committed to delivering insightful advice, while tackling any challenges with a proactive, can-do attitude. Our focus also extends to exceeding customer expectations by implementing fit-for-purpose business processes and intuitive systems.

To achieve effective service delivery, we emphasise cooperation across all levels of our organisation. Our entire

staff is aligned with our five core values, which are further reinforced by our adherence to the [City Ethics Code](#). This code serves as a guide, defining our organisational objectives and principles of good conduct.

All Council policies and practices have also been formulated to ensure ethical behaviour and decision-making in the work environment. This helps us maintain an organisational culture that places sound ethical values, principles and responsibilities at the forefront of the City's strategies and operations. These efforts have earned the City a good rating in the "Trust in the City" category of the 2022/23 community satisfaction survey.

## THE VALUES



CARING



ACCOUNTABILITY



OPENNESS AND  
TRANSPARENCY

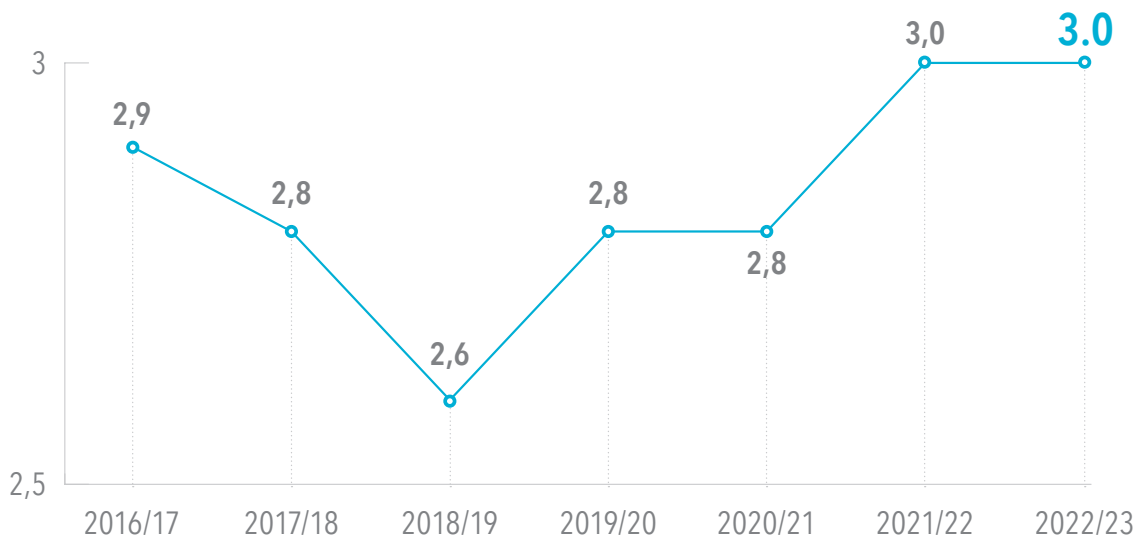


INNOVATION



SERVICE  
EXCELLENCE

## TRUST IN THE CITY



Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent



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# 1.3 MESSAGE FROM THE EXECUTIVE MAYOR



**This integrated annual report summarises the progress made in the first full financial year of our term of office as we build towards the long-term vision of a city of hope for all. As you will see from the report, the City is making encouraging progress towards the priorities outlined in its new Integrated Development Plan 2022-2027.**

Of course, without a firm foundation of good governance, it would not be possible to rise to our higher purpose of lifting people out of poverty over time. In June 2023, we received a clean audit award for the 2021/22 financial year. This is an important enabling step in fulfilling our purpose, and my thanks go to every City official who wakes up every day to serve Capetonians with pride and integrity.

I am pleased to highlight some of the critical progress made in 2022/23:

- ✓ Cape Town leads South African cities on plans to end load-shedding over time. Our goal is to protect our citizens against the first four stages of Eskom load-shedding by 2025/26 through a combination of buying power on the open market and demand management.
- ✓ We are playing our part to make Cape Town safer with major investments in additional law enforcement resources, including a three-year, R860 million roll-out of safety technology such as closed-circuit television, dashcams, bodycams, and even drones.
- ✓ Major investments in water and sanitation infrastructure are beginning to prove their value, with a 30% downward trend in sewer spills based on provisional data. In 2022/23, we exceeded our already doubled target of 50 km of sewer pipes replaced. We are also on track with critical upgrades to wastewater treatment works, with plans to restore the environmental health of critical inland waterbodies such as the Milnerton lagoon.
- ✓ Under our priority programme for accelerated land release to enable affordable housing, five inner-city land parcels that represent more than 1 300 social housing units reached critical release milestones. We also launched a new 'no-cost transfer' programme to enable

the free transfer of public rental units so that tenants can become homeowners.

- ✓ We are expanding our Safe Space transitional shelter facilities to help more people get off the streets, with R230 million budgeted over three years to operate and expand these facilities beyond central Cape Town and Bellville.
- ✓ Our MyCiTi N2 Express service to Mitchells Plain and Khayelitsha is now one of the busiest route in town, with continued progress on the major MyCiTi metro southeast expansion to connect Khayelitsha and Mitchells Plain to Wynberg and Claremont.
- ✓ In support of our goal to become the easiest place to do business in Africa, the City has identified ten critical indicators for cutting red tape, enabling business development and ensuring meaningful investment in Cape Town.

Importantly, in 2022/23, our City achieved an all-time infrastructure spending record, surpassing even the FIFA World Cup infrastructure investment, with a total spend of R6,94 billion on infrastructure across Cape Town. This not only sets a precedent for future infrastructure investment, it also demonstrates this administration's ability to turn budgetary promises into tangible delivery that benefits all on our ongoing journey towards making Cape Town a city of hope for all.

**GEORDIN HILL-LEWIS**  
Executive Mayor

**"OUR GOAL IS TO PROTECT OUR CITIZENS AGAINST THE FIRST FOUR STAGES OF ESKOM LOAD-SHEDDING BY 2025/26 THROUGH A COMBINATION OF BUYING POWER ON THE OPEN MARKET AND DEMAND MANAGEMENT."**



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# 1.4 STATEMENT BY THE CITY MANAGER



The City's 2022/23 integrated annual report marks further progress in our commitment to integrated, transparent and holistic reporting. We value being accountable to all our stakeholders, including residents, investors, business partners and other spheres of government.

In line with the comprehensive framework prescribed by the International Integrated Reporting Council, this report tells our story of value creation with precision, clarity, openness and transparency.

Our approach to reporting is based on the understanding that we need to act in an integrated and a cohesive manner if we are to maximise impact and value creation. Guided by our shared vision of building a city of hope, and enabled by the detailed objectives and desired outcomes of our five-year Integrated Development Plan (IDP), we are delivering on our commitments to the residents of Cape Town. This report reflects on our progress in this regard.

Numerous components underpin our commitment to delivering positive impacts and adding tangible value. Our realisation of almost R7 billion in capital expenditure in the year in review is arguably the most notable achievement. This is an investment in building an enabling environment for economic growth, job creation and dignity. Importantly, this quantum of capital expenditure, the largest in the history of the City, was achieved through the collaborative efforts of staff working across the organisation.

This report covers many other impactful achievements. However, it is worth highlighting some of the more significant organisational shifts that we have undertaken over the past financial year, which have positioned us to be even more efficient and effective in delivering on our mandate.

## BUILDING A VALUES-DRIVEN CULTURE

Under the overarching vision of a city of hope for all, the IDP 2022–2027 steered us towards introspection. We recognised that it was imperative not just to adopt, but also embody values that mirror our aspirations set out in the IDP. Extensive engagement with our employees culminated in Council's endorsement of our new set of core values in March 2023, committing the entire City to exemplifying service excellence, accountability, caring, innovation, and openness and transparency. These values are not mere words; they are the compass that guides all our actions and decisions.

## A COMMITMENT TO COLLABORATION

Collaboration fuels the achievement of our vision. By breaking down silos in our departments and forging partnerships beyond City walls, we are working to harness collective intelligence and effort for shared and sustainable growth. Whether it is with our business partners, municipal entities, service providers, other municipalities, provincial and national government, community organisations, organs of state, or the people of Cape Town, our collaborative efforts seek to harness shared resources, ideas and solutions to address the City's multifaceted challenges and create opportunities for all.

## ENTRENCHING INNOVATION AND EFFICIENCY

Innovation is at the heart of every progressive and successful city around the world. As civil servants, it is our duty, irrespective of our individual roles, to find innovative solutions. Over the past year, we have entrenched a culture of innovation across our organisation, encouraging alternative thinking and giving our people the freedom to act and, yes, make the occasional mistake – all with the intention of building our capacity to innovate for the ultimate benefit of Cape Town and its residents. Our Stupid Rule button, introduced during the year, offers any staff member the opportunity to highlight a procedure or process that they believe decreases efficiency. New initiatives and out-of-the-box thinking are welcomed, and we are progressively making changes to improve efficiency and the employee experience.

## MAKING BUSINESS WORK

We recognise business as the heartbeat of our city. Our ease-of-doing-business programme underscores our commitment to bolstering existing enterprises and supporting new entrants to enable their success and ensure that they contribute meaningfully to employment and economic growth in Cape Town. In the next two years, we aim to establish Cape Town as the pinnacle of business-friendly cities in Africa. Our recently launched Ease-of-Doing-Business Index serves as a guiding beacon for steady progress towards this vision.

In addition, we have undertaken the “I Mean Business” campaign, encouraging City officials to prioritise business-friendly practices and foster an environment where businesses can thrive and add value to the community. The campaign also underscored the crucial link between businesses, our residents, and Cape Town’s sustainable growth.

Thank you to the skilled, dedicated and committed people who make up Team Cape Town. They work every day, often in the face of significant challenges and obstacles, to provide essential services and infrastructure for Cape Town’s residents. The challenging social and economic

spillover from the pandemic, including the increased cost of living and various social disruptions, has made the current economic environment tough. Operations have been further complicated by Eskom’s ongoing electricity supply challenges, growing incidents of extortion-related activities in the local economy, the impact of climate change, and interruptions to global supply chains due to ongoing geopolitical issues. The future holds many uncertainties. Yet, despite this, our City employees remain committed to their tasks and are focused on building resilience to shocks and stresses to ensure that Cape Town’s residents receive the services and supporting infrastructure they need. I value and appreciate their hard work and dedication.

I thank our various City partners, from residents, investors, visitors, businesses and community groups to service providers, organs of state, municipal entities and other public-sector entities. Your support and collaboration enable us to do the work we do, and help maximise the positive impact we are able to have on Cape Town’s residents and communities.

In addition, I would like to acknowledge the leadership of Executive Mayor Geordin Hill-Lewis, with whom my City colleagues and I have a strong working relationship. We each understand our unique roles in terms of the relevant municipal legislation. Working with the Mayoral Committee and Council, the Executive Mayor has developed a clear and ambitious strategy for the City, which the administration, under my leadership, is executing.

With the first year of the City’s IDP 2022–2027 behind us, the extensive achievements of 2022/23 set the bar very high. In those areas that require improvement, we commit to delivering just that. We are steadily achieving our vision of a city of hope for all, as is evident from the pages of this report. We will rise to the challenges that the years ahead may present, and we will continue to exceed the expectations of Cape Town’s residents, visitors and investors.



**LUNGLO MBANDAZAYO**  
City Manager

# 1.5 CITY'S BUSINESS CONTEXT

In addition to reporting on the City's progress towards its vision, this integrated annual report also offers insight into the external environment that affects the administration and its internal operating environment.

## CONTEXTUAL ANALYSIS

### ECONOMIC

Over the past two years, global inflation has soared, hitting multi-decade highs in 2022. This led to quick hikes in interest rates by central banks as well as dwindling demand, hampering worldwide economic growth.

Against this backdrop, South Africa's economic prospects remain subdued, with projected growth rates of 0,2% in 2023, 1,4% in 2024 and 2,1% in 2025. Cape Town, however, typically outperforms the national average by 0,4 percentage points.

Load-shedding remains a pressing issue, having serious repercussions for basic service infrastructure and delivery. The City is taking measures to mitigate up to four stages of load-shedding by 2026, but challenges for households and businesses will likely persist for some time. Through

optimised operations of the Steenbras pumped storage scheme, the City managed to reduce load-shedding levels by 14% in 2022/23 and aims to achieve a 40% reduction by 2027.

The unemployment rate in Cape Town is improving, having declined from a high of 27,2% in 2022 to 22,4% in the second quarter of 2023, but still lagging prepandemic levels of 21,9%. Sectors such as tourism and construction have supported this recovery.

Other contributors to the low growth outlook include worsening logistics infrastructure (rail, port and long-haul trucking instability), lower business confidence, and depressed global demand, which affects exports. Geopolitical tensions such as the Russian-Ukraine war affect medium-term economic prospects. Elevated food and fuel prices are putting pressure on households and affecting consumer spending, which notably declined in 2022.

Global dependency on China has come under scrutiny due to its potential impact on supply chains and sustainability. China's slowing economy serves as a cautionary sign of potential global consequences.

Despite these challenges, Cape Town attracted R3,55 billion in property investment in 2022/23.





## GLOBAL CONTEXT



- Global inflation hits multi-decade highs in 2022
- Quick interest rate hikes and dwindling demand

## SOUTH AFRICA'S ECONOMY



- Projected economic growth: 0,2% in 2023, 1,4% in 2024, 2,1% in 2025
- Cape Town typically outperforms national growth by 0,4 percentage points

## LOAD-SHEDDING ISSUES



- Up to four stages of load-shedding planned to be averted in Cape Town by 2026
- 14% reduction in load-shedding levels achieved

## UNEMPLOYMENT RATES



- Declined to 22,4% in 2023

## ECONOMIC CHALLENGES



- Rail, port and trucking issues
- Low business confidence and export demand
- Geopolitical risks

## HOUSEHOLD STRAINS



- Rising food and fuel prices
- Decline in consumer spending
- Need for indigent support

## GLOBAL FOCUS ON CHINA



- Dependency scrutinised
- Slowing economy a cautionary sign

## CAPE TOWN INVESTMENT



- R3,55 billion in property investment in 2022/23

## FINANCIAL

The City continues to grapple with the financial strain caused by load-shedding-related costs. These include elevated maintenance costs and business continuity expenses. Simultaneously, revenue from electricity sales is facing challenges from load-shedding, combined with an uptick in the installation of small-scale energy generation by customers, which is reducing grid-based electricity demand.

Despite these pressures, the City is leveraging its robust balance sheet to ramp up infrastructure investment. The R120 billion, ten-year capital investment pipeline warrants close scrutiny, especially considering the current market sentiment for external financing, and the City's cash-generation abilities, which appear unsustainable for fully funding the project pipeline.

To bolster our funding strategy, the intention is to focus on enhancing operational efficiencies, as well as reprioritising within the available operating budget, with the caveat that revenue growth may not surpass consumer price index levels. In addition, maximising available grant funding will be a priority.

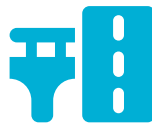
The recent positive Moody's rating, which was attributed to the City's "excellent management practices", validates the effectiveness of our financial approach and our commitment to compliance and good governance. Such good ratings not only facilitate financial planning, but also help reduce interest rates on debt, thereby conserving public funds. Moody's commended the City for its liquidity reserves and expressed the expectation that improved management policies would enable the City to maintain strong financial metrics, even with increased infrastructure spending over the medium term.

### FINANCIAL STRAIN FROM LOAD-SHEDDING



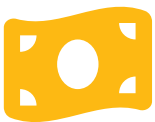
- Rising maintenance and business continuity costs
- Decline in electricity sales revenue

### INFRASTRUCTURE INVESTMENT



- R120 billion, ten-year capital plan
- Challenges in external financing and cash generation

### FUNDING STRATEGY



- Enhance operational efficiencies
- Revenue growth capped at consumer price index
- Maximise grant funding

### POSITIVE MOODY'S RATING



- Excellent management practices validated
- Lower interest rates on debt
- Strong financial metrics expected



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## CRIME

Crime remains a concern for the City and its residents. While crime statistics in Cape Town have shown a steady decline, they still exceed the national average. City officials also fall prey to criminal elements while performing their duties. Organised crime and the so-called 'construction mafia' are increasingly affecting City service departments and causing work stoppages on construction sites.

Gangsterism and high levels of gun violence remain severe problems, although these are often described by researchers

as a youth rather than a gang-related issue. This suggests that addressing youth concerns and the high levels of trauma that the youth experience due to gangsterism could help mitigate these challenges.

The City, in partnership with Province, has been investing heavily in the roll-out of additional law enforcement officers through the Law Enforcement Advancement Plan, with a particular focus on precincts with the highest rates of violent crime. Additional investment in safety technology such as drones and bodycams is also aiding the fight against crime.

## CRIME



- Crime rates declining, but still above national average
- High levels of gun violence

- City officials targeted
- Organised crime and 'construction mafia' disrupting services

## CLIMATE AND ENVIRONMENT

Bounded by ocean and mountains, and situated in the Cape Floristic Region, which is an internationally significant biodiversity hotspot, Cape Town is one of the most biodiversity-rich cities in the world, and home to a large number of unique habitats and species. It also faces the global challenge of balancing environmental preservation with economic and social development needs for a growing population. Low-income housing demand has occasionally led to informal settlements encroaching on nature reserves and wetlands, causing a loss of biodiversity.

The Western Cape is experiencing an extended, multiyear drought, and an El Niño system is expected to take hold during 2023. Also in 2023, the 1,5 °C global warming threshold is predicted to be breached, possibly increasing the risk of future extreme weather events, which will particularly affect vulnerable residents.

Climate change is having a tangible impact on both local ecosystems and livelihoods, underscoring the need for sustainable practices. This has prompted increasing investments in renewable energy and waste management solutions.

### CAPE TOWN BIODIVERSITY



- Biodiversity-rich
- Part of Cape Floristic Region
- Rich in unique habitats and species

### ENVIRONMENTAL CHALLENGES



- Balance needed between preservation and development
- Informal settlements encroaching on nature reserves

### SUSTAINABLE INITIATIVES



- Investments in renewable energy
- Focus on waste management

## CLIMATE RISKS



- Extended, multiyear drought in Western Cape
- El Niño expected in 2023

- 1,5 °C global warming threshold breach imminent
- Extreme weather risks, especially for vulnerable residents

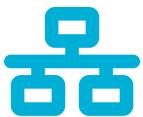
## TECHNOLOGY

Digitisation remains a priority for the City and forms a key component of its commitment to enhanced levels of service and efficiency. Significant strides have been made in fibre-optic roll-out as part of the City's broadband infrastructure programme. To date, all key City facilities, including bus stations and 407 buildings frequented by residents, have been connected. Over 250 000 unique users access the internet weekly through the public Wi-Fi zones enabled by this connectivity, predominantly at City libraries.

High data costs remain an issue in South Africa and affect Cape Town residents, who primarily access the internet via mobile phones. In fact, over 80% of households in the city rely solely on mobile internet for their connectivity needs. The Competition Commission noted in 2019 that high costs were forcing low-income users to opt for smaller data packages, limiting internet use.

On the technological front, the City continues to focus on innovation, as exemplified by the recent launch of the City mobile app, which has improved community engagement. Globally, 2023 was a breakout year for generative artificial intelligence. The City, like many end-user organisations, has begun early exploration of this technology.

## DIGITISATION A PRIORITY



- Key part of service delivery
- Progress with fibre-optic roll-out as part of broadband infrastructure programme
- All key facilities connected, including 407 public buildings
- Over 250 000 weekly users on public Wi-Fi, mainly at City libraries

## HIGH DATA COSTS



- Affect Capetonians, who are primarily mobile internet users
- 80% of households rely solely on mobile internet
- High costs limit data packages for low-income users

## TECH INNOVATIONS



- Launch of City mobile app

- Growth in generative artificial intelligence

## THE CITY IN NUMBERS

Cape Town has the second-largest population of all cities in South Africa and is one of the most-visited tourist destinations in Africa. It is a vital economic, political and business hub for South Africa, and a driver of growth and development in the country as well as the Southern African region.

The city has seen steady population growth in recent years. This trend is expected to continue, with any possible changes or effects on population growth post-Covid-19 to be monitored. According to current estimates, the total population of Cape Town will reach approximately 5,5 million by 2035.

# POPULATION



4 756 255

estimated population in 2022 (2021: 4 678 900)



2nd

largest population of all cities in South Africa



23,4%

children aged 0-14 (2021: 23,7%)



69,4%

in the economically active age bracket  
(aged 15-64) (2021: 69,5%)



7,2%

senior citizens (aged 65 and up) (2021: 6,9%)

# HOUSEHOLDS



1 486 330

estimated households in 2022 (2021: 1 462 156)



3,2

members per household on average (2021: 3,2)

# HEALTH



69 years

average life expectancy in the Western Cape in 2022 (highest in South Africa) (2021: 68 years)



24,3

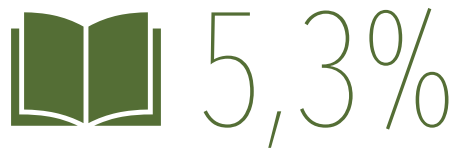
infant mortality rate per 1 000 live births in South Africa (down from 38,6 in 2010) (2021: 24,1)



## Steady decrease

in tuberculosis incidence, although Covid-19 has caused that **decline to slow**

# EDUCATION



illiteracy rate (15 years and older) in 2022 (down from 5,4% in 2016) (2021: 5,3%)



0,6%

of adult population (20 years and older) with no schooling (up from 0,5% in 2016) (2021: 0,2%)



36,7%

of adult population with matric as highest level of education (2021: 36,8%)



792

ordinary public schools (2021: 779)



211

ordinary independent schools (2021: 201)



# CRIME RATES IN CAPE TOWN



4 785

per 100 000 population  
overall crime (2021: 4 294)



1 669

per 100 000 property-related  
crime (2021: 1 579)



886

per 100 000 drug-related  
crime (2021: 629)

## POVERTY



R3 500

household income per month as  
Cape Town's poverty line (2021: R3 500)



23,5%

of households below poverty line  
(average for 2019-2021)



243 771

indigent households in 2022 (2021: 201 707)

★ 0,72

Human Development Index (HDI) score (2021: 0,72),  
which is higher than the national average of 0,64.

Cape Town's HDI is classified as "high human development",  
and South Africa's as "medium human development".

# ECONOMIC OUTPUT AND EMPLOYMENT



average economic growth rate for 2017-2021  
(compared to 0,3% nationally) (2021: 0,5%).

The average growth rate during this period was largely affected by the pandemic and the resultant contraction from 2020.



67 556

fewer jobs for the 2018-2022 period (2021: 82 183)

1

1,5%

of the economy made up of  
primary sector (2021: 1,3%)

2

19,0%

of the economy made up of  
secondary sector (2021: 17,0%)

3

79,5%

of the economy made up of  
tertiary sector (2021: 81,7%)



2nd-highest

city contributor to total employment in South Africa in 2022

# ACCESS TO SERVICES



99,1%

Access to piped water (either on property or within 200 m) up from 95,7% (2021: 99,3%)



94,9%

Access to electricity (from mains for lighting) up from 91,7% (2021: 92,6%)



94,1%

Access to refuse removal (at least once a week) down from 96,5% (2021: 95,4%)



96,2%

Access to adequate sanitation (flush, chemical or pit toilet with ventilation) up from 92,4% (2021: 94,3%)



98,5%

Access to telephony (landlines and/or cellphones) up from 97,6% (2021: 99,8%)

Sources: Stats SA 2022 mid-year estimates; Stats SA 2016 community survey; SAPS 2022 figures; City Health Department; Stats SA 2019–2021 general household surveys; City Finance Department; IHS Markit Regional Explorer (30 March 2023); Stats SA quarterly labour force surveys 2018–2022; Province’s Department of Education website.



# 2. BASIS AND PREPARATION OF REPORT



# 2.1 SCOPE AND REPORTING BOUNDARIES

The integrated annual report has been prepared in accordance with the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003. The reporting boundaries of the report are determined by the strategic priorities as reflected in the City's Integrated Development Plan (IDP) and budgeting processes.

This 2022/23 report continues the City's journey towards fully integrated reporting, as guided by the International Integrated Reporting Framework. It offers a comprehensive view of our governance, financial, operational, social and environmental efforts, performance successes, risks, opportunities and challenges for the 12 months from 1 July 2022 to 30 June 2023.

# 2.2 MATERIALITY

The City identifies its material matters through its ongoing strategic integrated development planning process. The IDP is informed by community needs, stakeholder inputs, a contextual analysis, and an evaluation of the existing state of Cape Town. In addition, material matters are identified through the City's performance management system as well

as the formulation of the annual budget, through which the City gives effect to the strategic objectives in the IDP.

Therefore, the material matters are predominantly the key priorities articulated in the IDP. Where applicable, comparative information is included in this report to ensure consistency.

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LIFEGUARD



# 3. CITY AND REPORTING GOVERNANCE

*Note: The City's integrated governance report is attached as appendix I to this report.*





# 3.1 LEGISLATIVE REQUIREMENTS AND FRAMEWORKS

The following documents and frameworks provide the governance and operational guidelines for all City decisions and actions, and represent the overarching framework for the production of this integrated annual report:

## INTEGRATED DEVELOPMENT PLAN AND BUDGETING PROCESS

The five-year IDP is the City's principal strategic planning instrument, which guides and informs ongoing planning, implementation and evidence-based decision-making. The IDP represents the administration's commitment to exercise its executive authority. The plan is developed in line with national and provincial legislation and is the City's blueprint by which it strives to realise its vision for Cape Town over the short to medium term.

## STRATEGIC MANAGEMENT FRAMEWORK

The City's annual Strategic Management Framework process informs the plans and supports the strategic objectives contained in the IDP. It is aligned with the budget process over the medium term.

## ANNUAL BUDGET

The budget enables the City to deliver on its priorities in the IDP. See appendix I for details about our target value creation outcomes for the current IDP term (including major capital projects).

## INTEGRATED RISK MANAGEMENT FRAMEWORK

Section 62(1)(c)(i) of the MFMA states that the accounting officer of a municipality (the City Manager) is responsible to ensure that the municipality maintains effective, efficient and transparent systems of financial and risk management and internal control. The City's Integrated Risk Management Framework and processes are based on the risk management standards ISO 31000, read with the 2016 King Report on Corporate Governance for South Africa (King IV) and the Public-Sector Risk Management Framework.

## INTEGRATED WASTE MANAGEMENT PLAN (IWMP)

The City's Annual Report is a collective update on all the IDP commitments and does not provide detail for all service deliverables as contained in the Integrated Waste Management Plan (IWMP). The IWMP feeds into the IDP via the Urban Waste Management (UWM) Sector/Business Plans.<sup>1</sup>

## OPERATING REVENUE FRAMEWORK

The City determines its revenue quantum by setting a package of tariffs that is not only considered affordable to its ratepayers and the users of its services, but deemed to be fair and realistic in the context of its programmes to assist those who cannot pay.

## OPERATING EXPENDITURE FRAMEWORK

The City's expenditure against its annual budget is informed by the long-term goal of arriving at a realistic, deliverable Medium-Term Revenue and Expenditure Framework (MTREF) within a revenue envelope that is credible and affordable to its ratepayers, the users of its services and other stakeholders.

## MUNICIPAL COST CONTAINMENT REGULATIONS

Municipalities are required to implement cost containment measures to ensure that municipal resources are used effectively, efficiently and economically. The regulations also require municipalities and municipal entities either to develop or regularly review their cost containment policies. The City is fully compliant in this regard and has a Council-approved cost containment policy in place.

<sup>1</sup> The City is compliant with the National Environmental Management: Waste Act, Act 59 of, 2008 NEM:WA requirement regarding implementation of the IWMP and the review thereof.

## MINIMUM COMPETENCY LEVELS

The City monitors compliance with the prescribed minimum competency levels as part of the executive directors' performance scorecards. This is in line with section 16 of the MFMA. Competency levels must be attained within prescribed timeframes and be included in performance agreements. This information is reported quarterly as well as annually.

## INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

In preparing and presenting its integrated annual report, the City is guided by the eight content elements from the [World Bank's International Integrated Reporting Framework](#) as well as the principles of King IV. See appendix M for a list of references to these two sources.

# 3.2 ASSURANCE PROCESS

## GOVERNANCE OUTCOMES

Governance outcomes are the benefits an organisation could realise if the underlying principles and, ultimately, good governance, are achieved.

### These governance outcomes are:

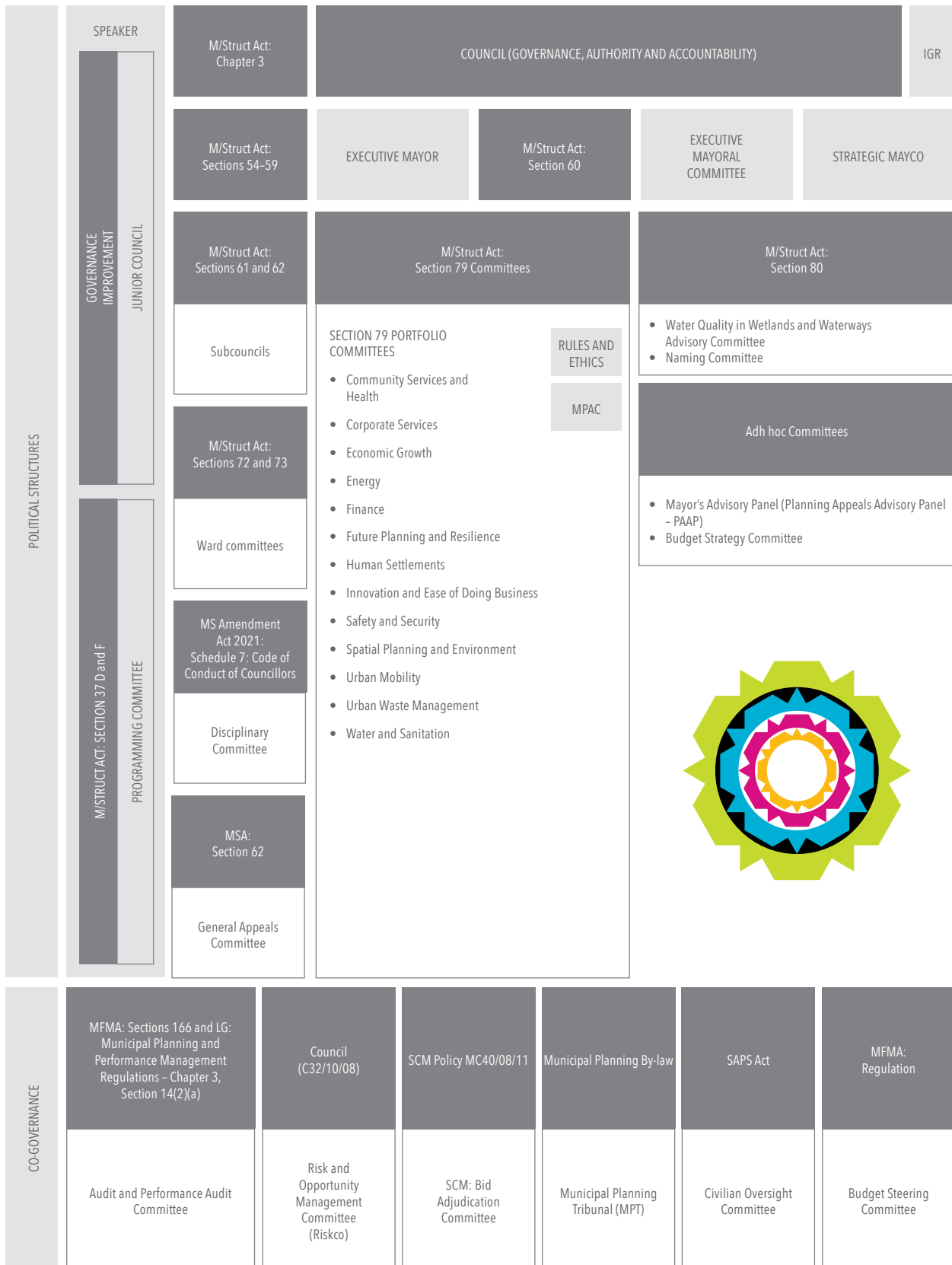
- ✓ Ethical culture
- ✓ Good performance
- ✓ Effective control
- ✓ Legitimacy

The City seeks to achieve strong governance by employing the following two key assurance tools:

- ✓ The Organisational Assurance Governance Framework, which sets out the principles for how authority and responsibility are distributed among various stakeholders to ensure effective management. It clarifies governance roles and strongly emphasises thorough management of significant organisational risks.
- ✓ The combined assurance model, which works in tandem with the framework above to integrate and align all governance and oversight activities across the City.

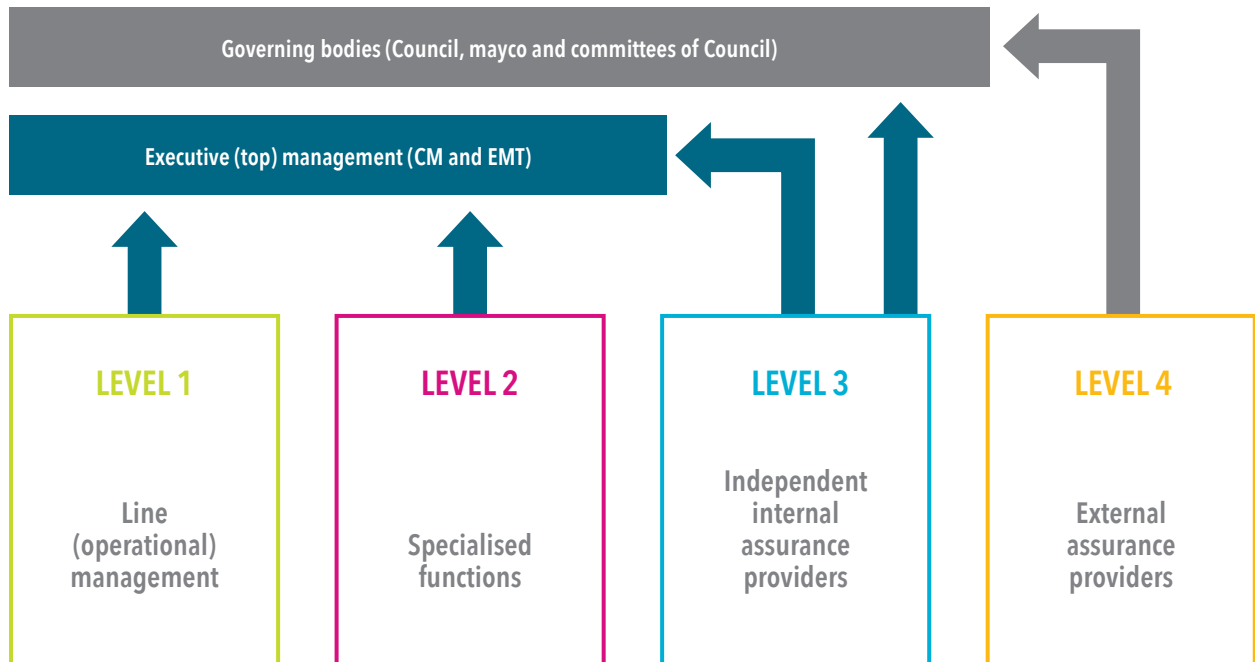
As part of our commitment to corporate governance, ethical leadership, and fair and transparent procedures and reporting, the City subscribes to King IV, which Council adopted in 2017. King IV defines governance as effective and ethical leadership aimed at achieving an ethical culture, good performance, effective control, and legitimacy. As depicted on page 34, King IV follows an approach based on principles and outcomes. Other governance-related information, as required by the International Integrated Reporting Framework, is reflected in appendix M.

The City ensures the integrity of financial and non-financial information through a combination of monitoring and oversight bodies as per the structure below:



These structures support the City's governance processes and work to facilitate and enhance stakeholder and community participation.

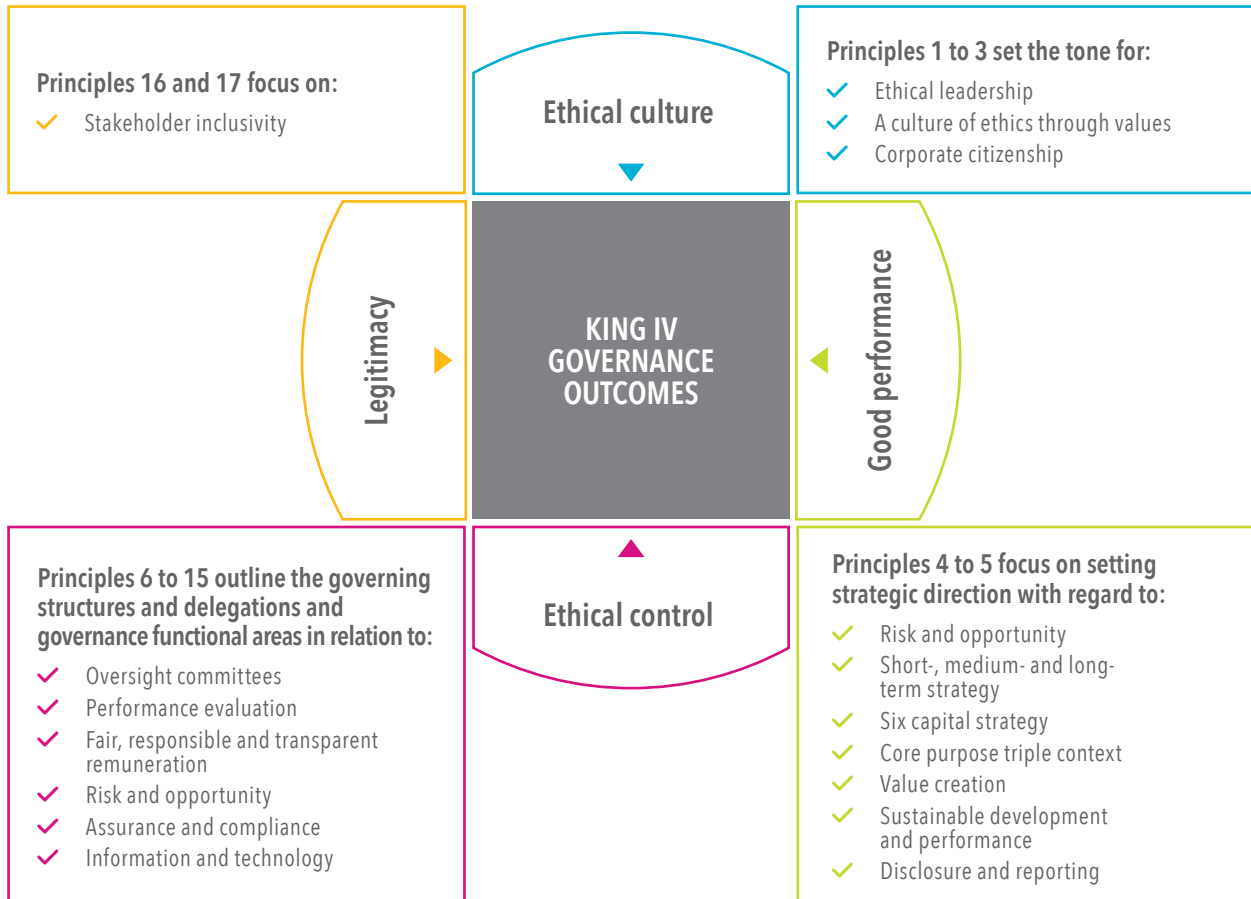
The integrated annual reporting responsibilities require monitoring and oversight by various assurance providers, as illustrated below, to embed the City's governance structures into the report production process.



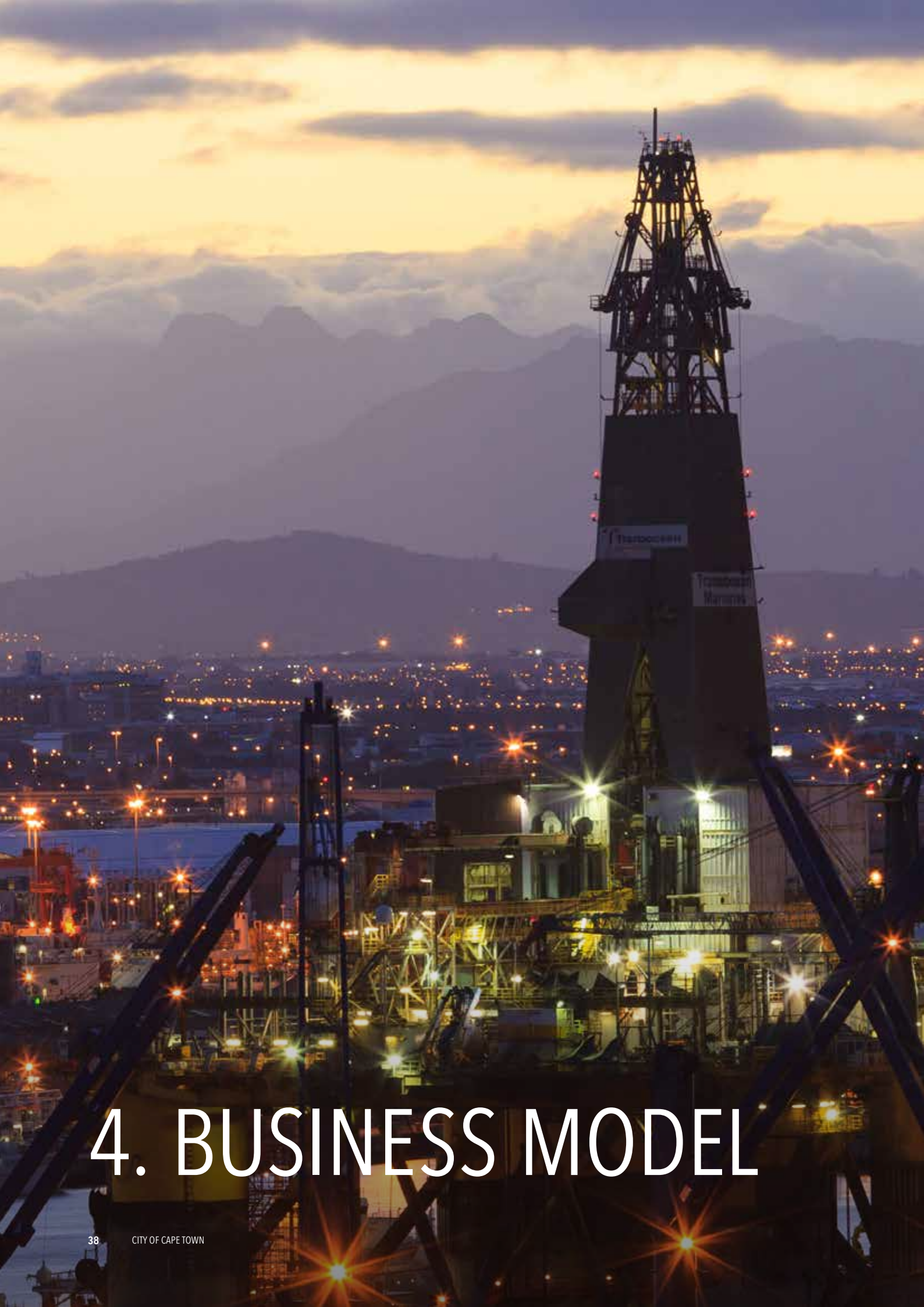
REPORTING RESPONSIBILITY	ASSURANCE
INTEGRATED REPORT NARRATIVE	<ul style="list-style-type: none"> <li>✓ Oversight by Audit and Performance Audit Committee (APAC)</li> <li>✓ Audited by the Auditor-General</li> <li>✓ Oversight by Municipal Public Accounts Committee (MPAC)</li> </ul>
ANNUAL FINANCIAL STATEMENTS	<ul style="list-style-type: none"> <li>✓ Review by Internal Audit</li> <li>✓ Audited by the Auditor-General</li> <li>✓ Oversight by MPAC</li> </ul>
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS	<ul style="list-style-type: none"> <li>✓ Oversight by APAC</li> <li>✓ Audited by the Auditor-General</li> <li>✓ Oversight by MPAC</li> </ul>
ANNUAL PERFORMANCE REPORT	<ul style="list-style-type: none"> <li>✓ Quarterly review by Internal Audit</li> <li>✓ Oversight by APAC</li> <li>✓ Audited by the Auditor-General</li> <li>✓ Oversight by MPAC</li> </ul>
ANNUAL CIRCULAR 88 REPORT	<ul style="list-style-type: none"> <li>✓ Oversight by National Treasury</li> </ul>

# 3.3 ALIGNMENT WITH KING IV PRINCIPLES

The aim of the various assurance providers is to guide the City towards delivering the outcomes of King IV, which will embed a culture of ethical leadership, good governance, enhanced performance and effective internal control and oversight into the administration.



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# 4. BUSINESS MODEL





# 4.1 STRATEGIC PRIORITIES, AND ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

## INTEGRATED DEVELOPMENT PLAN PRIORITIES

The six IDP priorities are linked to the City's foundations. The 16 objectives underpinning these priorities, in turn, represent the key strategic matters for this five-year term of office.



## ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

The City's 16 strategic objectives are also aligned with the United Nations' 17 sustainable development goals (SDGs). This alignment ensures that in pursuing its strategic objectives, the City also contributes to the achievement of the SDGs over time. The performance section of this report indicates the specific SDGs with which each of the City's strategic objectives are aligned.

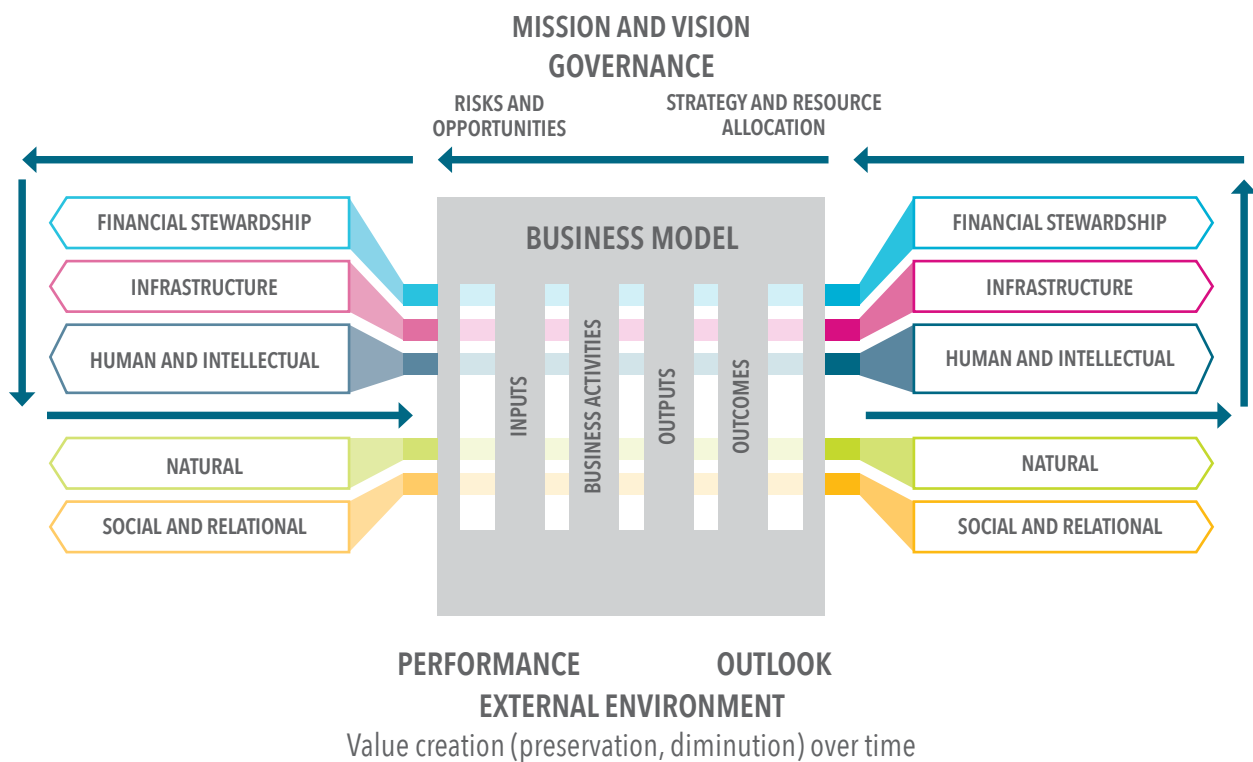


# 4.2 INTEGRATED BUSINESS AND VALUE CREATION MODEL

The City creates value through an integrated approach, involving all relevant stakeholders. The intention is to continuously embed integrated thinking into our systems and processes. We report transparently on the value we

create for Cape Town residents, visitors, investors and other stakeholders. Our value creation process is encapsulated in our business model, which, in turn, is represented in detail by our IDP implementation plan.

The figure below depicts how the City creates value through the application of its capitals and operations



How the City created value in 2022/23 by applying its capitals and operations:

# CAPITAL FINANCIAL STEWARDSHIP



## ↓ INPUTS

- ✓ Total budget: R61,304 bn
- ✓ Operating budget - R53,3 b (2022/2023) R 51.6 b (2021/2022)
- ✓ Capital budget - R7,5 b (2022/2023) (12, 2%) R5,4



## ↓ OUTPUTS

- ✓ Operating budget spend increase: R45,9 bn (2021/22) to R48,1 b (2022/23)
- ✓ Capital budget spend: R6,94 billion. Increased from 89,3% (2021/22) to 93,5% (2022/23)
- ✓ Revenue growth: Increased from R47,1 bn (2021/22) to R 50 bn (2022/23)



## ↓ CHALLENGES

- ✓ Increased interest rates
- ✓ Subdued GDP growth outlook
- ✓ Continuing weakening of the South Africa Rand
- ✓ Global supply change challenges
- ✓ Continuing volatility in relations between major economies"



## ↓ OUTCOMES

- ✓ Improved and resilient financial performance - Cape Town is the most sustainable city in Africa. High ranking in Municipal Financial Sustainability Index maintained - maintained a score of 68 (2022/23), the highest among all the metros.
- ✓ Cape Town ranked the top city in Africa in the Knights Sustainable Cities Index
- ✓ Credit Rating maintained - Moody's rating agency retained the City's outlook as stable (Ba3/NP).
- ✓ Positive Auditor General outcome



## ↓ PROCESSES AND SUPPORTING STRUCTURES

- ✓ Supply chain management
- ✓ Financial management
- ✓ Project management
- ✓ Contract management
- ✓ Continuous re-engineering of business processes.
- ✓ Segment reporting (See page 189)
- ✓ Governance structures (See page 34)

## CAPITAL: FINANCIAL STEWARDSHIP

Inputs	Outputs	Outcomes	Challenges
<ul style="list-style-type: none"> <li>↑ Total budget: R61,304 bn</li> <li>↑ Operating budget: R53,3 bn (2021/22: R51,6 bn)</li> <li>↑ Capital budget: R7,5 bn (12,2%) (2021/22: R5,4 bn)</li> </ul>	<ul style="list-style-type: none"> <li>↑ Operating budget spend increase: R45,9 bn in 2021/22 to R48,4 bn in 2022/23</li> <li>↑ Capital budget spend: R6,94 bn (up from 89,3% in 2021/22 to 93,5% 2022/23)</li> <li>↑ Revenue growth: Increased from R47,1 bn in 2021/22 to R50 bn in 2022/23</li> </ul>	<ul style="list-style-type: none"> <li>↑ Improved and resilient financial performance: Cape Town is the most sustainable city in Africa</li> <li>↑ High ranking on Municipal Financial Sustainability Index: City maintained a score of 68, which is the highest of all South African metros</li> <li>↑ Cape Town ranked the top city in Africa (Corporate Knights Sustainable Cities Index)</li> <li>↑ Credit rating maintained: Moody's retained City outlook as stable (Ba3/NP)</li> <li>↑ Positive Auditor-General outcome</li> </ul>	<ul style="list-style-type: none"> <li>↑ Increased interest rates</li> <li>↑ Subdued outlook for growth in gross domestic product</li> <li>↑ Continuing weakening of the rand</li> <li>↑ Global supply chain challenges</li> <li>↑ Volatile relations between major economies</li> </ul>
<p><b>Processes and supporting structures employed</b></p> <ul style="list-style-type: none"> <li>↑ Supply chain management</li> <li>↑ Financial management</li> <li>↑ Project management</li> <li>↑ Contract management</li> <li>↑ Continuous re-engineering of business processes</li> <li>↑ Segment reporting (see page 182)</li> <li>↑ Governance structures to provide oversight and accountability (see page 34)</li> </ul>			

CAPITAL: INFRASTRUCTURE			
Inputs	Outputs	Outcomes	Challenges
<ul style="list-style-type: none"> <li>→ Capital budget: R7,5 bn</li> <li>→ Repairs and maintenance budget: R4,8 bn</li> <li>→ For more on infrastructure capital, turn to the City's annual financial statements (page 172)</li> </ul>	<ul style="list-style-type: none"> <li>→ Invested R6,94 bn in capital works and infrastructure (93,5% of planned budget)</li> <li>→ Invested R3,68 bn in repairs and maintenance</li> <li>→ <b>Water infrastructure</b></li> <li>→ More than 105 000 m of sewer and water pipes replaced</li> <li>→ 80 million litres of treated wastewater reused daily</li> <li>→ Multibillion-rand investment in groundwater ensures future water supply</li> <li>→ Equipped seven boreholes at Table Mountain group aquifer, capable of producing 18 ML per day</li> <li>→ <b>Electricity</b></li> <li>→ Saved over 265 GWh of electricity over the past 12 years through energy-use improvements in municipal operations = avoided emissions of 262 735 tCO<sub>2</sub>e</li> <li>→ City earned 126 274 carbon credits from landfill gas extraction and utilisation</li> <li>→ Steenbras hydro pumped storage scheme protects City customers from up to two stages of load-shedding</li> <li>→ <b>Urban waste management</b></li> <li>→ Diverted over 317 000 tons of waste</li> </ul>	<ul style="list-style-type: none"> <li>→ Increased level of water resilience</li> <li>→ Capital budget is between 10% and 20% of the total budget</li> <li>→ Expanded infrastructure footprint</li> <li>→ Improved community satisfaction (see performance report on page 338)</li> <li>→ Improved access to basic services</li> <li>→ Over 60 million litres of water saved per day through water pressure management</li> <li>→ Piped water (on properties smaller than 200 m<sup>2</sup>) up from 95,7% to 99,3%</li> <li>→ Electricity (from mains for lighting) up from 91,7% to 92,6%</li> <li>→ Refuse removal (at least once a week) down from 96,5% to 95,4%</li> <li>→ Adequate sanitation (flush, chemical or pit toilet with ventilation) up from 92,4% to 94,3%</li> <li>→ Water and Sanitation recognised as Africa's first <u>Leading Utility of the World</u></li> <li>→ Bellville wastewater works first municipal treatment plant to achieve global energy management standard (ISO 50001) certification</li> </ul>	<ul style="list-style-type: none"> <li>→ Construction mafia</li> <li>→ Gang-related violence</li> <li>→ Scarce skills</li> </ul>
<p><b>Processes employed</b></p> <ul style="list-style-type: none"> <li>→ Supply chain management</li> <li>→ Financial management</li> <li>→ Project management</li> <li>→ Contract management</li> <li>→ Engineering management</li> <li>→ Transversal implementation of the Infrastructure Planning and Development Framework</li> </ul>			

## CAPITAL: HUMAN AND INTELLECTUAL

Inputs	Outputs	Outcomes	Challenges
<ul style="list-style-type: none"> <li>↑ Talent: 29 402 employees at the start of 2022/23</li> <li>↑ Investment in employees: R15,2 bn</li> <li>↑ Workplace skills: R97,4 m training budget</li> </ul>	<ul style="list-style-type: none"> <li>↑ People: 30 047 employees at the end of 2022/23</li> <li>↑ Lower staff vacancy rate: 9,23% (2021/22: 9,46%)</li> <li>↑ Budget spent on Workplace Skills Plan (training): Increased from 90,29% in 2021/22 to 125,24% in 2022/23</li> <li>↑ Internal beneficiaries of financial support (bursaries): 1 911</li> <li>↑ Training opportunities provided to employees: 50 036</li> </ul>	<ul style="list-style-type: none"> <li>↑ Trust: City Pulse survey saw trust category increase from 3,3 in 2021/22 to 3,4 in 2022/23</li> <li>↑ Improved municipal capability: Percentage of municipal skills development levy recovered improved from 87,76% in 2021/22 to 123,84% in 2022/23 (including a discretionary portion from the sectoral education and training authority)</li> <li>↑ Stable diversity profile of workforce: 73,63% of employees from employment equity target (designated) groups employed at the three highest levels of management</li> </ul>	<ul style="list-style-type: none"> <li>↑ Scarce skills</li> <li>↑ Lack of relevant experience</li> <li>↑ Lack of appropriate training service providers</li> </ul>
<p><b>Processes employed</b></p> <ul style="list-style-type: none"> <li>↑ Human resource management</li> <li>↑ Individual performance management</li> <li>↑ Employee wellness</li> <li>↑ Learning and growth management</li> <li>↑ Consequence management</li> <li>↑ Talent management</li> </ul>			



CAPITAL: NATURAL			
Inputs	Outputs	Outcomes	Challenges
<ul style="list-style-type: none"> <li>→ Legislation, policies and guidelines</li> <li>→ Air, water, land, minerals and forests</li> <li>→ Biodiversity and ecosystem health</li> </ul>	<ul style="list-style-type: none"> <li>→ Biodiversity priority areas protected: 65,14%</li> <li>→ Compliance with drinking-water quality standards: 98,96%</li> <li>→ Liveable Urban Waterways projects contributed to:               <ul style="list-style-type: none"> <li>- improved ecosystem health;</li> <li>- reduced flood risk;</li> <li>- improved use of waterways; and</li> <li>- better water quality.</li> </ul> </li> <li>→ More than 40 790 ha of alien invasive plants cleared, saving up to 13,1 billion litres of water per year and creating 722 green employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>→ A-rating for climate reporting and action: Only South African city to make the 2022 <a href="#">Carbon Disclosure Project's Cities A-List</a></li> <li>→ International Wetland City status achieved</li> <li>→ Reduced carbon emissions: Citywide greenhouse gas emissions were relatively stable from 2012 to 2019, dropping from 21 914 762 tons of CO<sub>2</sub> to 20 757 873 over this period</li> <li>→ Improved community satisfaction: See performance report on page 352</li> <li>→ Blue Drop status: Well above average drinking-water quality management level</li> </ul>	<ul style="list-style-type: none"> <li>→ Urban sprawl</li> <li>→ Unlawful land occupation</li> <li>→ Carbon emissions</li> <li>→ Pollution</li> </ul>
<p><b>Processes employed</b></p> <ul style="list-style-type: none"> <li>→ Conservation planning</li> <li>→ Environmental education</li> <li>→ Invasive alien species management</li> <li>→ Management of nature reserves</li> <li>→ Coastal management</li> <li>→ Transversal implementation of the Environment Strategy</li> <li>→ Transversal implementation of the Climate Change Action Plan</li> </ul>			

## CAPITAL: SOCIAL AND RELATIONAL

Inputs	Outputs	Outcomes	Challenges
<ul style="list-style-type: none"> <li>↑ National and provincial departments</li> <li>↑ Public-private partnerships</li> <li>↑ Private investors and developers</li> <li>↑ Small-, medium- and micro-sized enterprises</li> <li>↑ Local residents</li> <li>↑ Businessowners</li> <li>↑ City's Community Services and Health Directorate</li> </ul>	<ul style="list-style-type: none"> <li>↑ Increased qualifying threshold of social support: R22 000 (up from R17 500)</li> <li>↑ Maintained free services allocation: 15 kℓ of water; 10,5 kℓ of sanitation; 60 units of electricity</li> <li>↑ Continued growth in business process outsourcing industry: More than 70 000 people employed and R14 bn contributed to Cape Town's economy</li> <li>↑ Public employment programme jobs created: 36 378</li> <li>↑ Social housing units approved under the Mayoral Priority Programme aimed at land release for affordable housing: 1 300</li> <li>↑ Reduced crime</li> <li>↑ Enhanced public engagement</li> <li>↑ Productivity efficiency programme: Assisted 18 businesses, retained 588 jobs</li> <li>↑ Street people programme: More than 51 000 engagements with persons living on the street; nearly 3 500 individuals placed in shelters or referred to social services</li> </ul>	<ul style="list-style-type: none"> <li>↑ Improved community satisfaction (see page 57)</li> <li>↑ Improved wellness and welfare of communities</li> <li>↑ Improved economic growth</li> <li>↑ Cape Town's unemployment rate (strict definition): 7,6% lower year on year, and lowest of any South African metro</li> <li>↑ Social assistance package: R4,3 bn, which is among the highest of all South African metros</li> </ul>	<ul style="list-style-type: none"> <li>↑ Intergovernmental politics</li> </ul>
<p><b>Processes employed</b></p> <ul style="list-style-type: none"> <li>↑ Comprehensive needs analysis</li> <li>↑ Indigent Policy</li> <li>↑ Rebate system for pensioners</li> <li>↑ Transversal implementation of Inclusive Economic Growth Strategy</li> <li>↑ Ease-of-doing-business programme</li> <li>↑ Business partnerships to enable economic growth</li> <li>↑ Alcohol and drug treatment</li> <li>↑ Implementation of Safe Space transitional shelter model</li> <li>↑ City-run Strengthening Families programme</li> </ul>			

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# 5. RISKS AND OPPORTUNITIES

*Note: The City's Risk Management Committee report is attached as appendix L to this report.*



The combination of urbanisation, globalisation, rapid technological advancement and climate change means that Cape Town's key systems are increasingly linked to, and dependent on, key systems in other parts of the region, the country and the rest of the world. This also renders them more vulnerable to potential disruption.

This is why the City takes a holistic approach to risk identification and management that goes beyond merely preparing for shocks, but also seeks to understand how

stresses affect the ability of Cape Town and its people to respond in moments of shock. The City's opportunities, in turn, are encapsulated in our objectives, controls and action plans.

See appendix I for a table of prioritised shocks and stresses to which the City's Resilience Strategy most acutely responds. For more information, consult the full [Resilience Strategy](#).

The following key risks have been identified:

## 5.1 KEY STRATEGIC RISKS



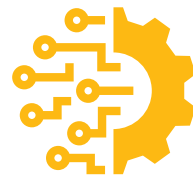
GOVERNANCE AND  
LEGAL COMPLIANCE



CRIME AND  
SAFETY INCIDENTS



SERVICES  
(QUANTITY AND  
QUALITY) -  
GROWING DEMAND



INFRASTRUCTURE  
AND PROPERTY



UNLAWFUL LAND OCCUPATION  
HAMPERING SERVICE  
DELIVERY AND SAFETY



INTERGOVERNMENTAL  
COLLABORATION



SKILLS/COMPETENCIES



FINANCIAL  
RESILIENCE  
AND ECONOMIC  
STABILITY



CLIMATE CHANGE  
AND POLLUTION



ENERGY  
SECURITY



TECHNOLOGY AND  
CYBERSECURITY

## 5.2 SPECIFIC CORE BUSINESS RISKS

### WATER AND SANITATION

The severe three-year drought (2015–2018) in Cape Town not only highlighted the importance of good water resource management, but also emphasised the disparities that still exist in water access. Sanitation infrastructure remains under pressure due to ageing assets. As the population grows, demand for water increases. The growth in informality is resulting in encroachment over servitudes and blockages that increase the risk of sewage spills. The current bulk water supply and sanitation systems require greater diversification, redundancy (extra components in case of failure in others) and timely investment to meet projected needs and enable older infrastructure to be refurbished and maintained.

### WASTE

The City needs to increase waste collection services to residents in informal settlements. This must go beyond the existing skips and bins and the bagged, door-to-door collection system to avoid waste spillovers and illegal dumping. Moreover, while the City currently relies on Vissershok and Coastal Park landfills for waste diversion, Coastal Park will be closed in the medium term. This will leave Vissershok (north and south) as the last operating landfill in Cape Town. However, since neighbouring municipalities also have a lack of landfill space, Vissershok may become a quasi-regional landfill in the medium term.

### ENERGY

Load-shedding significantly restricts the local and national economies. Risks are compounded by a compromised utility financial model due to increasing prices and decreasing demand. Illegal connections and theft or destruction of

municipal infrastructure make it harder to deliver on the City's commitment to broaden access to electricity for all its citizens. Vandalism of network infrastructure and public lighting has also increased. The scale of this problem has not only caused the cost of electricity service provision to rise, but has also resulted in more instances of service disruption and an increase in safety concerns for staff and the public.

### TRANSPORT

The deterioration and collapse of the commuter rail system across South Africa has seen passenger numbers decrease significantly. This has disproportionately affected poor and vulnerable citizens, who rely on public transport and live furthest from their places of work. As residents started shifting to road-based alternatives, this has led to even more vehicles on Cape Town's roads. In addition, due to the poor performance of freight rail services, a substantial proportion of freight is being transported by road, which further affects the sustainability of the transport system. Apart from the strain on infrastructure, road transport also adds significantly to Cape Town's greenhouse gas emissions and budget requirements.

### COMMUNITY FACILITIES AND THE ENVIRONMENT

Due to budget constraints, the City needs to review its approach to the provision and maintenance of community facility infrastructure to make it more equitable and sustainable. Ultimately, municipal investment in services that are the mandate of other spheres of government (such as primary healthcare services) reduces the amount available to spend on core municipal mandates and priorities.



# 6. STAKEHOLDER ENGAGEMENT



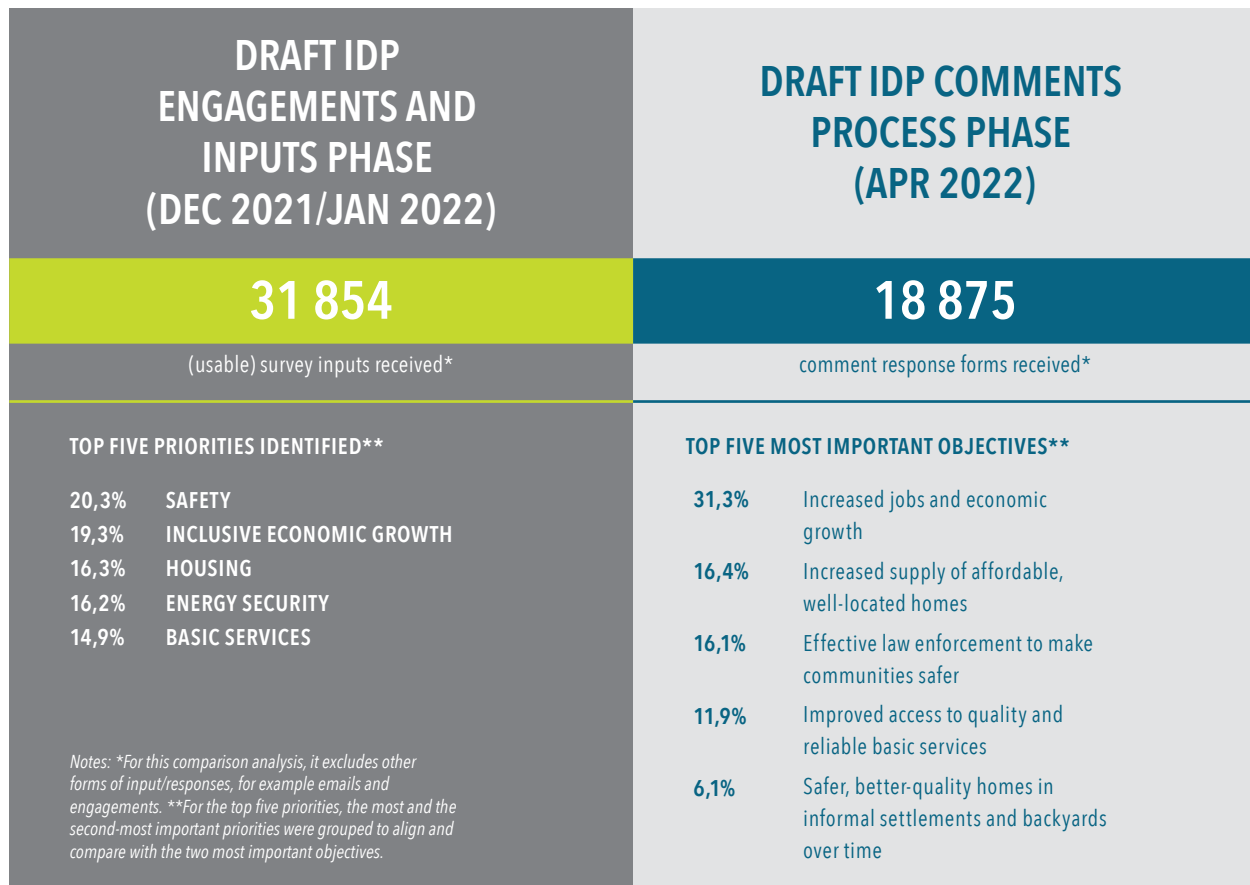


The Municipal Systems Act 32 of 2000 requires that the local community be consulted on their development needs and priorities, and participate in the drafting of the IDP. The act also requires that key stakeholders be identified and consulted as part of the drafting process.

The IDP process affords Cape Town’s residents and stakeholders the opportunity not only to participate in

identifying these material matters, but also to measure the City’s progress against its IDP targets.

As the graph below shows, a total of well over 50 000 inputs and submissions were received in the 2022/23 IDP public engagement process. These were instrumental in informing the new term-of-office IDP (2022–2027).



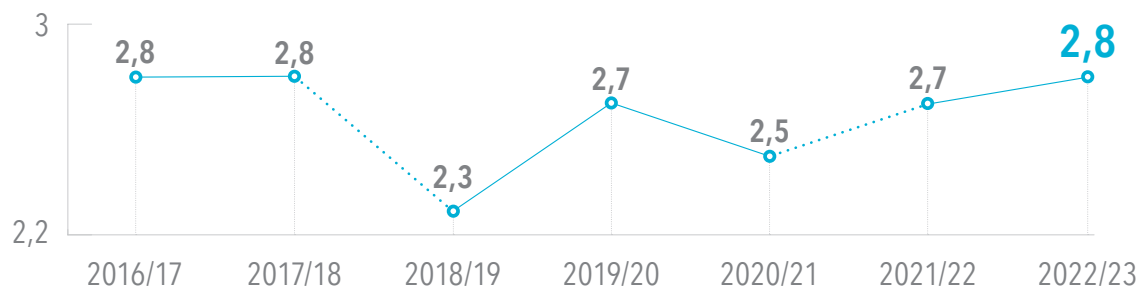
The City wants to fully understand and address the concerns of its material stakeholders. Insights are obtained through a rigorous process of public participation (see graph alongside) designed to engage, consult and involve the public and obtain their input and comments. The process offers stakeholders the assurance of transparency and that their interests and inputs are considered in the City’s strategic decisions.



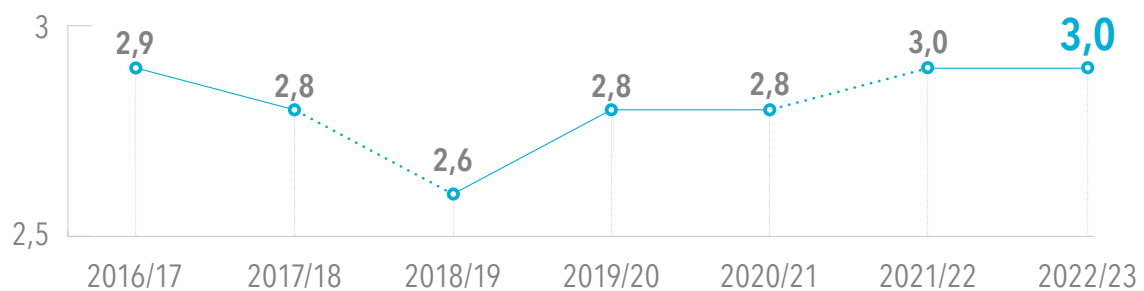
## EXTERNAL STAKEHOLDER ENGAGEMENT

In 2022/23, the City again conducted its annual community satisfaction survey. The aim is to gauge Cape Town residents' perception of the general quality of services provided by the City and their satisfaction with services in terms of having their needs met. The latest survey reveals an increase in the overall level of satisfaction among Capetonians, with the average score having increased from 2,7 out of 5 in 2021/22 to 2,8 in 2022/23 (see below for overview of survey results). This is good news, given the socioeconomic challenges of the year in review.

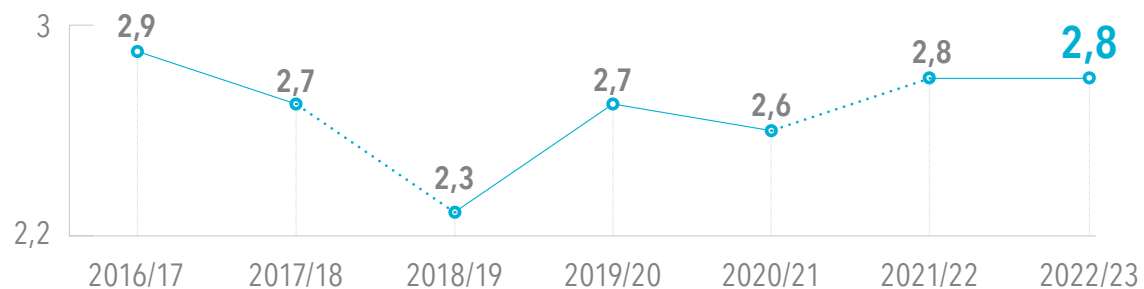
### OVERALL PERFORMANCE OF THE CITY OF CAPE TOWN



### TRUST IN THE CITY OF CAPE TOWN

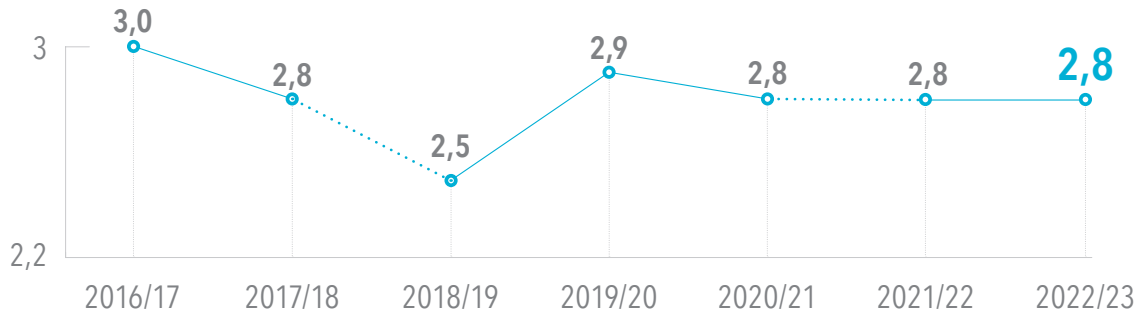


### THE CITY OF CAPE TOWN'S FULFILMENT OF ITS ROLE AS PUBLIC SERVICE PROVIDER



Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

## THE CITY OF CAPE TOWN COMPARED TO OTHER PUBLIC SERVICE PROVIDERS



Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

## INTERNAL STAKEHOLDER ENGAGEMENT

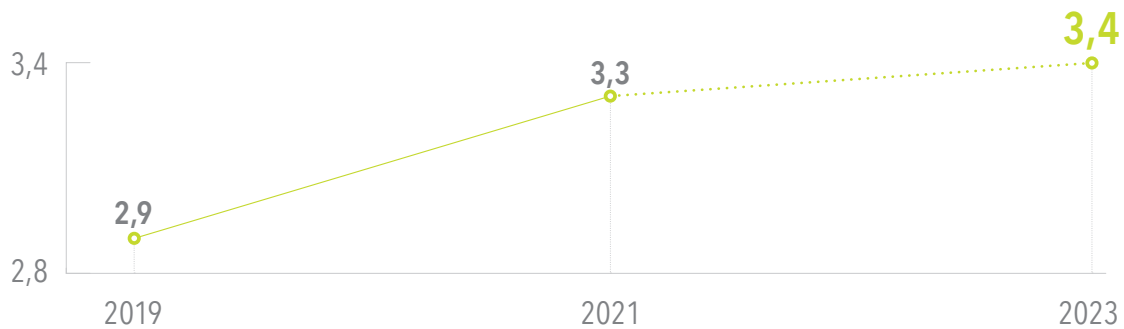
In 2023, the biennial City Pulse survey for City staff recorded an improved response rate of 5 438 employees. The survey covered the four dimensions of people, leadership, organisational culture, and organisational design and processes.

The leadership score showed the greatest year-on-year improvement, having risen from 3,2 out of 5 in 2019 to

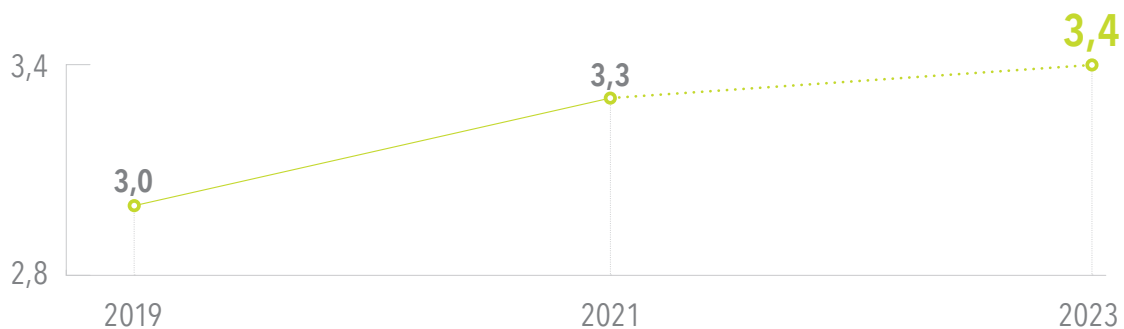
3,8 in 2023. This can be partly attributed to the leadership development programmes that more than 2 800 leaders from across the City have attended. The programmes focus on all levels of leadership, including supervisory development, people management, management development, and leadership in development.

All indices measuring employees' perception of the City also improved (see below).

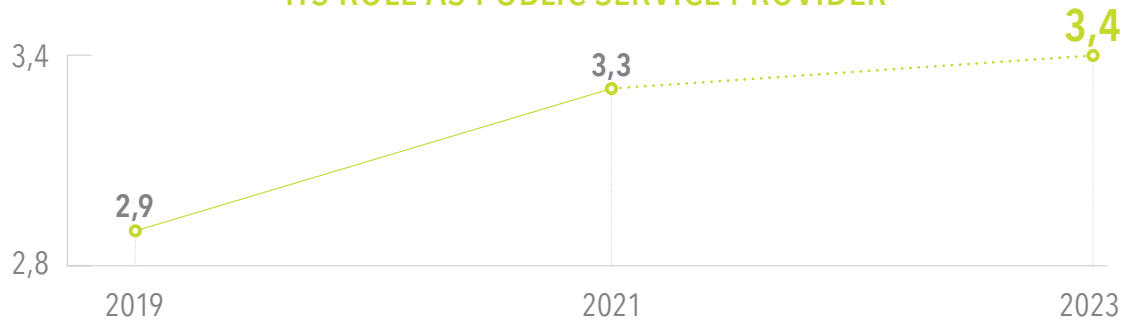
## OVERALL PERFORMANCE OF THE CITY OF CAPE TOWN



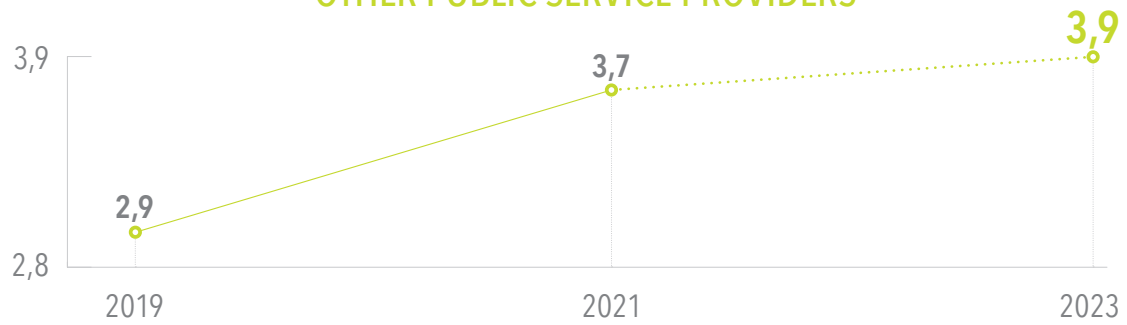
## TRUST IN THE CITY OF CAPE TOWN



### THE CITY OF CAPE TOWN'S FULFILMENT OF ITS ROLE AS PUBLIC SERVICE PROVIDER



### THE CITY OF CAPE TOWN COMPARED TO OTHER PUBLIC SERVICE PROVIDERS



Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent.





# 7. PERFORMANCE AGAINST OUR STRATEGY



# 7.1 SUMMARY OF THE ANNUAL FINANCIAL STATEMENTS FOR 2022/23

Below is a summary of the City's annual financial statements for 2022/23. This performance section of the integrated annual report should be read in conjunction with the financial statements, of which a full version is available in appendix A.

## STATEMENT OF FINANCIAL POSITION – SUMMARY AS AT 30 JUNE 2023

RAND THOUSANDS (R'000)

	2023	2022
<b>ASSETS</b>		
Non-current assets	66 030 087	63 475 894
Current assets	20 416 991	18 389 398
<b>TOTAL ASSETS</b>	<b>86 447 078</b>	<b>81 865 292</b>
<b>LIABILITIES</b>		
Non-current liabilities	12 244 597	12 651 891
Current liabilities	12 478 340	11 192 700
<b>TOTAL LIABILITIES</b>	<b>24 722 937</b>	<b>23 844 591</b>
<b>NET ASSETS</b>		
Total net assets	61 724 141	58 020 701
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<b>86 447 078</b>	<b>81 865 292</b>

## STATEMENT OF FINANCIAL PERFORMANCE – SUMMARY AS AT 30 JUNE 2023

RAND THOUSANDS (R'000)

	2023	2022
<b>REVENUE</b>		
Exchange revenue	27 276 051	25 966 291
Non-exchange revenue	24 815 052	22 799 432
<b>TOTAL REVENUE</b>	<b>52 091 103</b>	<b>48 765 723</b>
<b>EXPENDITURE</b>		
<b>TOTAL EXPENDITURE</b>	<b>48 387 663</b>	<b>45 862 538</b>
<b>NET SURPLUS FROM OPERATIONS</b>	<b>3 703 440</b>	<b>2 903 185</b>



## CASH FLOW STATEMENT – SUMMARY AS AT 30 JUNE 2023

RAND THOUSANDS (R'000)

	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET CASH FROM OPERATING ACTIVITIES	6 108 065	5 978 008
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
NET CASH FROM INVESTING ACTIVITIES	(7 050 265)	(5 437 471)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
NET CASH FROM FINANCING ACTIVITIES	757 838	(371 494)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8 110 781	8 295 143

TO  
GET  
TOGETHER.



# 7.2 ECONOMIC GROWTH

## FINDINGS OF 2022/23 COMMUNITY SATISFACTION SURVEY

	2022/23 RATING	2021/22 RATING	YEAR-ON-YEAR SHIFT IN SATISFACTION LEVEL
Local area tourism	2,7	2,9	↑
Area economic development	3,1	3,4	↑

Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

### STRATEGIC OBJECTIVE 1: INCREASED JOBS AND INVESTMENT IN THE CAPE TOWN ECONOMY

#### PROGRAMME 1.1: EASE-OF-DOING-BUSINESS PROGRAMME

##### *Programme at a glance*

- ✓ Remove obstacles to starting and growing businesses and developing properties in Cape Town
- ✓ Address time, effort and cost of regulatory compliance as barriers for businesses
- ✓ Implement efficient City regulatory processes
- ✓ Make Cape Town an appealing location for all businesses
- ✓ Be an effective and supportive business partner



##### *Ease-of-doing-business project*

The City is the first metro in Africa to have introduced its own Ease-of-Doing-Business Index. Aimed at monitoring key aspects of business-related processes, the index covers ten vital indicators, including electricity and water connections, building plan approvals, and informal trading permits.

##### *Development facilitation project*

In partnership with Heritage Western Cape, the City has advanced local heritage management through the adoption of seven strategies. These will expedite development applications by simplifying compliance measures under the National Heritage Resources Act 25 of 1999 and the City of Cape Town Municipal Planning By-law of 2015. Some strategies are already in action, including exemption from heritage permits for buildings older than 60 years in key development areas.

At the same time, the City is strengthening its Municipal Planning By-law to provide clearer conservation guidelines, with plans for legislative reform and new provincial heritage legislation on the horizon.

## PROGRAMME 1.2: INVESTMENT AND PARTNERSHIP DEVELOPMENT PROGRAMME

### *Programme at a glance*

- ✓ Support the private sector to attract investment and jobs to Cape Town



Tourism is crucial to Cape Town's economy and is bolstered by smart campaigns and partnerships that attract more flights, cruise ships and investment. This, in turn, boosts local business and employment. Last cruise season, Cape Town welcomed 75 ships with 145 000 passengers and 42 000 crew, generating around R300 million for the year. Each cruise passenger typically spends US\$750 (about R14 000) in port cities.

For air travel, Cape Town saw significant progress in 2022/23. Four new routes were introduced, namely Atlanta by Delta Air Lines, Washington DC by United Airlines, Brussels by Air Belgium, and Maputo by Airlink. In addition, Virgin Atlantic resumed its direct service from London Heathrow on 5 November 2022. By February 2023, Cape Town International Airport's international passenger numbers had fully recovered to pre-pandemic levels, with 199 international flights per week to 27 destinations. The focus has now shifted from recovery to growth.

Two new direct flights to Africa were also announced: Eswatini Air's three weekly flights on the Manzini-to-Cape Town route started on 2 June 2023, while Proflight Zambia's two weekly flights on the Lusaka-to-Cape Town route commenced on 1 July 2023.

Moreover, Cape Town Air Access won the destination marketing award at the Routes World 2022 conference, validating its impactful marketing strategies. The successful route development project is a partnership between Province, the City, Cape Town Tourism, Wesgro, South African Tourism and the Airports Company South Africa, as well as private-sector partners.

### *Growth coalition project*

The City funds and partners with various special-purpose vehicles (SPVs) to drive economic growth and job creation in strategic sectors of the economy. The SPVs facilitated approximately R10 billion in private-sector investment in 2022/23 and created 8 718 jobs.

A new addition, the Food and Beverage Growth Coalition, was launched in the year in review and is aimed at boosting the development of the region's food and beverage manufacturing sector and its exports.

## PROGRAMME 1.3: INCLUSIVE ECONOMIC DEVELOPMENT AND GROWTH PROGRAMME

### *Programme at a glance*

- ✓ Create an environment where informal businesses and entrepreneurs can flourish
- ✓ Address persistent inequalities in areas such as education and socioeconomics
- ✓ Support and develop Cape Town's informal sector and help address challenges around business establishment and survival
- ✓ Collaborate with partners to lower barriers to income opportunities
- ✓ Help create jobs and sustain livelihoods



## Creating opportunities through the EPWP

The City invests in an innovative training framework tailored to create jobs as part of its various projects. By linking training to high-growth sectors, sustainable economic inclusion is enabled.

The public employment and skills development (PE&SD) framework guides the organisation on how to design, plan, develop and implement related programmes and projects. The projects have provided jobs to more than 1 400 participants in all three EPWP sectors (social, infrastructure and environment) and 338 of these EPWP participants have accepted permanent and long-term contracts within the City and outside the organisation.

The projects run for 12 to 36 months, and give the participants enough time to complete the accredited training and gain the required experience. All of these skilling interventions take cognisance of the Fourth Industrial Revolution, meaning that they are designed and implemented with a deliberate intention of introducing participants to relevant technological skills.

The year under review sees the City in the second year of its first Entrepreneurship EPWP programme, undertaken in partnership with the University of the Western Cape (UWC). This programme will run for a period of three years, and one of the targeted outcomes is to ensure sustainable businesses that are able to grow, access their own funding and employ more community members.

The department also continues to focus on expanding baseline skills (computer, financial, life literacy and adult education and training (AET) to a point where EPWP workers are able to complete their schooling. An artisan tender is currently in progress through the HR Education, Training and Development (ETD) Department, to afford even more training opportunities and trades to the EPWP workers.

The programme continues to explore partnerships that will enhance EPWP opportunities and work-readiness aspects of EPWP projects.

To date, the City has created a total of 43 230 job opportunities through its Public Employment Programmes.

Due to the City's exceptional performance, the national Department of Public Works and Infrastructure has increased its grant allocation for these programmes by 50% for 2023/24.

## PROGRAMME 1.4: TARGETED URBAN DEVELOPMENT PROGRAMME

### Programme at a glance

- ✓ Concentrate investment in public infrastructure and operations in targeted areas
- ✓ Private-sector investment for inclusive growth and affordable housing
- ✓ Accelerate development and management of key business precincts
- ✓ Enhance local-level coordination with business and community stakeholders
- ✓ Five-year improvement focus
- ✓ Targeted urban development supporting transit-oriented development and spatial integration



In 2023, a spatial targeting approach was introduced to eight approved district plans to identify and prioritise investment areas for the public and private sector. This is in line with the City's growth management efforts and the Municipal Spatial Development Framework. Engagements with various City directorates have ensured that existing projects align with spatial targeting goals, focusing on priority areas in the short to medium term. Projects also undergo regular assessments, which will be reviewed at least annually to inform business plans and resource allocation.

## Local area and precinct development initiative

The Bellville Future City masterplan and public transport interchange concept were opened to public participation, resulting in a prioritised investment plan and formal partnerships with entities such as the Passenger Rail Agency of South Africa (PRASA) and Transnet.

The Philippi opportunity area saw its regeneration framework approved through public participation. A range of infrastructure projects and land use applications, including affordable housing, were either initiated or completed. The Philippi agri-hub was also refurbished thanks to an investment of R24,5 million.

The second phase of the Foreshore Gateway Precinct continued, with the amendment of the proclamation of the 1969 Lower Buitengracht road scheme allowing for land releases. Various partnerships have been formed, including with Transnet and the national Department of Public Works and Infrastructure.

Central Claremont initiated its conceptual development vision, integrating public transport services such as MyCiTi and PRASA. Legal and environmental due diligence is under way for landholdings.

Finally, the City's Urban Planning and Design Department received Council approval for several local spatial development frameworks, including Two Rivers and District Six, with more in the pipeline.

## Precinct management initiative

Partnerships were formed with the Greater Tygerberg Partnership in Bellville and the Philippi Economic Development Initiative to meet area stabilisation objectives. The focus was on key nodes such as Philippi Village and Joe Gqabi/Stock Road interchange, where support was provided to Airports Company South Africa to develop the Swartklip site.

## CBD recovery and transition project

The development of a central business district (CBD) transition plan got under way in 2022/23, culminating in a completed baseline analysis and draft framework. Key spatial issues were identified, such as the need for more inclusive residential growth, balancing character with development demand, and enhancing public transport and walkability. A public participation process is planned, aiming for a final spatial development framework by June 2024.

In parallel, the Foreshore Gateway Precinct supports the CBD recovery and transition project, offering significant development potential on City-owned land. This includes options for 4 000 units of residential accommodation, with a focus on affordable housing.

Heritage approval was obtained for a major social housing initiative at Woodstock hospital, paving the way for approximately 700 housing units. Furthermore, 130 social housing units are planned in Pinelands as part of Province's Conradie Park development.

Ongoing construction projects include the 1 055-unit development at Goodwood station, and Bothasig Gardens, where 434 units have been completed. Overall, the City now has a pipeline of 6 500 social housing units across 50 different land parcels.

## PROGRAMME 1.5: CONSOLIDATED LAND PIPELINE AND RELEASE PROGRAMME

### Programme at a glance

- ✓ Consolidated programme for land planning, acquisition and release to foster inclusive economic growth and affordable housing
- ✓ Align land release for development with transit-oriented development principles to promote a spatially integrated city



## Accelerated land release initiative

The City is accelerating the release of City-owned land for affordable housing developments by the private sector. Land selection prioritises locations that bring residents closer to

economic opportunities, aiming to address historic exclusion due to apartheid spatial planning.

In the first year of the Mayoral Priority Programme aimed at accelerated land release for social housing, the City achieved significant milestones relating to five sites, which will

provide more than 1 300 social housing units. These include locations such as Newmarket Street, Salt River market and Pickwick. Guidelines have been set for discounting the cost of public land to maximise the number of affordable units. In addition, tenants of Council-owned rental flats can now apply to become the owners of the properties they occupy.

## 7.3 BASIC SERVICES

### FINDINGS OF 2022/23 COMMUNITY SATISFACTION SURVEY

	2022/23 RATING	2021/22 RATING	YEAR-ON-YEAR SHIFT IN SATISFACTION LEVEL
Electricity provision	2,8	2,6	↑
Street lighting	3,0	2,8	↑
Water provision	3,0	2,9	↑
Sanitation	3,0	2,8	↑
Urban waste	3,1	2,9	↑

Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

### STRATEGIC OBJECTIVE 2: IMPROVED ACCESS TO QUALITY AND RELIABLE BASIC SERVICES

#### PROGRAMME 2.1: MAINSTREAMING BASIC SERVICE DELIVERY TO INFORMAL SETTLEMENTS AND BACKYARD DWELLINGS PROGRAMME

##### *Programme at a glance*

- ✓ Meet increasing demand for accelerated basic service delivery
- ✓ Adopt alternative service delivery solutions at scale
- ✓ Community partnerships key to fit-for-purpose delivery models in less-formal areas

- ✓ Implement effective monitoring mechanisms for services
- ✓ Collaborate with Province and National Government to offer poorer consumers access to essential utilities
- ✓ Funding and cross-subsidisation strategies in place for free basic services to bolster community resilience



## 2022/23 SERVICE DELIVERY IN INFORMAL SETTLEMENTS



769

taps installed



5 276

toilets installed



45 609

toilets provided since 2012/13



2 440

subsidised electricity connections installed



25 596

subsidised electricity connections installed since 2012/13



99,78%

of residents now receive waste removal and area cleaning services

## Energy access project

The City surpassed its target of installing 1 500 subsidised electricity connections in 2022/23 by completing 2 440 new connections, bringing the total number of installations to 25 596 since 2012/13. This achievement was thanks to effective contractors, minimal community interference and well-prepared project managers. It is estimated that more than 9 700 residents in informal settlements will benefit from these connections, gaining improved quality of life through reliable power provision and a lower fire risk.

The Energy and Human Settlements directorates collaborated to identify additional informal settlements for potential future electrification. Efforts are under way to develop policies for alternative electricity subsidies in these unelectrified households, study household energy use among low-income families, and assess the feasibility of alternative public lighting in Cape Town's informal settlements.

## STRATEGIC OBJECTIVE 3: END LOAD-SHEDDING IN CAPE TOWN OVER TIME

### PROGRAMME 3.1: DIVERSIFIED ENERGY SUPPLY PROGRAMME

#### Programme at a glance

- ✓ Drive private and public investment in grid-connected energy generation, including renewable and dispatchable technologies
- ✓ Prioritise energy storage capacity and demand-side management
- ✓ Upgrade electrical grid to accommodate new energy sources, particularly renewables such as solar and wind
- ✓ Work towards ending load-shedding to secure the economy and support growth



## Expanded IPP initiative

The City is targeting a combined capacity of 700 MW by appointing multiple independent power producers (IPPs) as part of its commitment to end load-shedding. In 2022/23, tenders were issued to procure 200 MW of embedded renewable energy and up to 500 MW of dispatchable energy from IPPs.

The embedded renewable-energy tender closed, and the received bids underwent technical evaluations as part of stage 1 of the tender. Those projects deemed technically feasible moved on to stage 2, and the City is now completing grid studies. All financial offers are expected to be concluded by early 2024.

The dispatchable-energy tender, in turn, was launched in April 2023 and invited bids from IPPs planning to connect to either the City network or the Eskom grid. It will close in December 2023 as part of a single-stage tender process, combining technical and financial offers.

## City-initiated generation initiative

The City has granted a tender for installing small-scale embedded generation (SSEG) systems at specific municipal sites for 2022/23, including the Gugulethu Electricity depot, the Goodwood Transport Management Centre and the Kraaifontein wastewater treatment works. A broader SSEG tender is being prepared to cover renewable-energy system design, maintenance, upgrades and load-shedding resilience for critical infrastructure. The engineering, procurement and construction contract for the Atlantis 7 MW solar photovoltaic (PV) plant is expected to be awarded by the end of 2023, and completion is projected for 2024. The Paardevlei solar PV project is in the feasibility stage, which should be concluded by June 2024.

In addition, the City has drafted a battery energy storage system roadmap, pinpointing integration sites, capacities and use cases, primarily for utility-scale efforts. The sites have been ranked using a multicriteria decision analysis model to select the pilot locations. Techno-economic assessments for the sites are under way and should conclude before the end of 2023/24, which will determine how implementation will proceed in 2024/25.

## Small-scale energy generation growth initiative

Rooftop PV installations are growing steadily. In the absence of national guidelines on SSEG, the City has established its own standards, particularly for rooftop solar PV connections to the municipal grid. These standards have been influential



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in the drafting of national legislation, underscoring transparency.

By June 2023, the City had recorded 4 077 approved grid-tied systems. These comprised 3 509 residential and 568 commercial and industrial installations, totalling roughly 109 MVA in capacity. Capacity added in 2022/23 was 28,9 MVA, marking a significant increase from the previous year. While commercial and industrial entities contribute the majority of the MVA capacity, there has also been a significant uptick in residential SSEG approvals as homeowners seek to mitigate the effects of load-shedding.

A pressing concern is the number of illegal connections made without City clearance. City regulations stipulate that SSEG systems must be registered and meet specific criteria. Non-compliant setups can have safety and legal repercussions. To tackle this, the City has launched awareness campaigns to educate customers on system acquisition, the importance of registration, and the risks of unauthorised connections. To support SSEG adoption, the City provides information on its website, guidance booklets and regular newsletters with updates for installers. In collaboration with GreenCape, the City hosts SSEG installer events and quality assurance meetings with industry experts to encourage discussions about the sector's opportunities and challenges.

### *City boosts uptake of small-scale embedded generation (SSEG)*

As part of the Mayoral Priority Programme aimed at energy security for economic growth, efforts to promote SSEG uptake and streamlining its registration are being ramped up. To this end, an online system is being developed for SSEG registration, improving efficiency and users' experience. To further boost SSEG export participation, the City is also procuring cost-effective residential bidirectional advanced metering infrastructure that complies with all prescribed technical standards. Residents can now feed surplus generation into the grid, benefiting from the SSEG feed-in tariff and an added incentive until 30 June 2025. Commercial entities can offset their electricity bills with SSEG exports and can earn income from excess generation through the 'cash for power' scheme. From October 2023, all SSEG applications will be seen as grid-tied, hastening approval times. All SSEG systems require an approved inverter and sign-off from a professional registered with the Engineering Council of South Africa.

## PROGRAMME 3.2: ENERGY DEMAND RESPONSE PROGRAMME

### *Programme at a glance*

- ✓ Expand initiatives to improve energy efficiency and reduce customer demand as a short-term solution to load-shedding
- ✓ Long-term measures in progress, such as increasing energy supply
- ✓ Build on success of Steenbras pumped storage scheme by exploring enhanced operating regimes and additional opportunities



### *Customer demand response initiative*

The City is actively addressing the challenges of load-shedding by encouraging voluntary energy saving among its customers. The intention is to partner with third-party aggregators to enlist so-called 'Power Heroes', being City-supplied residential and small-scale commercial customers who are willing to undertake voluntary energy-saving initiatives. These aggregators will be able to remotely deactivate non-essential power-intensive devices during peak times, aiming to reduce demand by up to 60 MW, which is equivalent to one stage of load-shedding in winter.

The City awarded a tender for these demand response aggregator services in 2022/23. The MFMA section 33 process will be followed. The current target for contract activation is the first quarter of 2024.

### *Energy for economic resilience initiative*

The Energy Directorate is actively forging crucial internal and external partnerships to achieve strategic goals, including the following:

- ✓ **GENERAL PARTNERSHIPS** – In 2022/23, the City engaged with numerous partners to further the Mayoral Priority Programme for energy security as well as wider energy aims. Collaborations included the Energy-Water-Waste Forum, SSEG installer events, discussions on the draft Energy Strategy with stakeholders such as the South African Local Government Association and the Association of Municipal Electricity Utilities,

and participation in initiatives such as the Presidential Climate Change Commission's Just Energy Transition.

- ✓ **IFC TECHNICAL ASSISTANCE AND GRANT FUNDING** – The City collaborated with the International Finance Corporation (IFC) for technical support in four key areas, namely renewable-energy accounting, a renewable-energy roadmap, expanded municipal energy efficiency, and evaluating financing options for climate-driven infrastructure. This partnership yielded vital research reports to guide decision-making.
- ✓ **C40 CFF PAARDEVLEI** – In association with the C40/GIZ Climate Finance Facility (CFF), the Energy Directorate is assessing the viability of a large-scale PV plant on City-owned land at Paardevlei. Outcomes will include a

feasibility study and financial analysis to help the City determine the ideal business model for the location.

- ✓ **USAID SAEP** – The City gained assistance from the United States Agency for International Development (USAID) Southern Africa Energy Programme (SAEP) for various facets of its energy scheme, including expertise on IPP procurement and the Paardevlei solar PV project. Furthermore, an energy planning expert was recruited to offer guidance on load-shedding solutions, while USAID SAEP provided a grid planning expert from the United States National Renewable Energy Laboratory to develop a grid capacity framework that would facilitate the City's IPP procurement plans.



## STRATEGIC OBJECTIVE 4: WELL-MANAGED AND MODERNISED INFRASTRUCTURE TO SUPPORT ECONOMIC GROWTH

### PROGRAMME 4.1: UTILITY BUSINESS MODEL REFORM PROGRAMME

#### *Programme at a glance*

- ✓ Prioritise adaptability in basic service delivery to accommodate Cape Town's high density and informality
- ✓ Integrate resilience principles in utilities for greater robustness against national service failures and funding instability
- ✓ Actively engage National Government and state-owned enterprises for delineated service responsibilities



The City has invested more than R62 billion in infrastructure maintenance and development since 2012. Over the next five years, a key City priority will be to reform its basic services utilities to ensure that they can deliver the services that Cape Town citizens need, efficiently and effectively, well into the future.

#### *Water and Sanitation – business model reform initiative*

In May 2023, the Water and Sanitation Directorate became the first utility in Africa to be accepted into the prestigious Leading Utilities of the World (LUOW), a global network of the most successful and innovative water and wastewater utilities.

Over the past year, the City installed 110 permanent generators at priority sewer pump stations to address generation capacity needs. Of the City's 23 wastewater treatment works, 19 are fully equipped with generators, while the remaining four, three of which are marine outfalls, are set to receive generators in the coming financial year. In addition, the City has implemented early-warning telemetric alarm systems across all 487 sewer pump stations to bolster its fault-detection capabilities. These initiatives underpin the administration's commitment to providing efficient and dependable wastewater management services for the benefit of Capetonians and the environment.

#### *Solid Waste – business model reform initiative*

The City's solid waste services are delivered against a backdrop of steady population growth, increasing per-capita waste generation, increasing informality, and limited landfill airspace.

In 2022/23, the City commenced with the development of its Waste Strategy. The process will see various waste management options and waste reduction technologies being assessed to determine the equitable cost for a sustainable service delivery model.

#### *Energy – business model reform initiative*

The City recognises that business as usual in the energy sector is no longer viable, and that a new, financially sustainable utility business model needs to be developed with a view to the future electricity supply industry. As such, the City's electricity business model is set to transition from relying solely on the sale of electricity, with limited customer choice, to an increasingly competitive regional energy market that offers customers greater choice and a greater share of distributed renewable energy, underpinned by proactive grid maintenance. In 2022/23, good progress was made across the various components of this project, as described in the paragraphs that follow:

#### *ENERGY STRATEGY*

The draft Energy Strategy outlines the City's future energy plans, including ending load-shedding in Cape Town, alleviating energy poverty, and optimising metrowide energy use. It also provides a roadmap to 2050 for government, private sector, residents and businesses to participate in the regional energy transition. The strategy was open for public comment from 12 June to 31 July 2023. Once all inputs have been considered, the document will serve before Council for approval. Subsequent work includes creating an implementation plan and assessing the financial impact.

### SERVICE DELIVERY

In 2022/23, the Energy Directorate's Network Control team tackled challenges such as managing extended stage 6 load-shedding, launching a load curtailment programme, transitioning to a distribution system operator, and dealing with increased network faults due to load-shedding, vandalism and theft. They also handled queries and information requests about load-shedding mitigation. Meanwhile, the Business Innovation and Asset Management teams increased their technical data capability through the e-ElecPortal platform expansion, the development of a core application review plan, and undertaking SSEG capacity growth forecasting per main substation. A workforce skills planning process has also been initiated to adapt to rapidly changing utility demand.

### REVENUE REFORM

System tariffs are in place and updated annually. Once the wheeling pilot is under way, the performance of the tariff will be assessed for potential amendments. The City's feed-in tariff will be updated on an annual basis. A time-of-use feed-in tariff will be considered once the billing system has been sufficiently tested via the wheeling pilot.

### REGULATORY ADVOCACY

The focus with regulatory advocacy was on achieving exemption from the MFMA and the Preferential Procurement Policy Framework Act 5 of 2000 for SSEG and wheeling surplus purchases. The Minister of Finance partially approved the City's application, allowing for multiple awards and a simplified MFMA section 33 process, but did not grant exemption from general procurement processes. Meanwhile, the City paused its efforts to clarify the application of section 34 of the Electricity Regulation Act 4 of 2006 after an unsuccessful court case against the National Energy Regulator of South Africa and the Department of Mineral Resources and Energy (DMRE). However, the City has secured technical advice from National Treasury's Cities Support Programme to revisit the issue with DMRE in 2023/24.

## UPDATE ON MAJOR BASIC SERVICES PROJECT

### MORGEN GRONDE SWITCHING STATION

The City's Energy Directorate is building a new R145 million electricity switching station in Morgen Gronde. The new 132 kV switching station, which is one of the City's basic services priority projects, will enable the currently constrained networks in the surrounding Bellville and Oakdale areas to be upgraded. It will also ensure reliable supply to residents, businesses and a number of large power users in Brackenfell. Construction commenced early in 2021, and the switching station is expected to be completed and operational by December 2023.

This project is an example of the City's commitment to providing reliable and adequate electricity supply and investing in the electricity needs of a growing metro.

As part of its R120 billion, ten-year infrastructure portfolio, the City plans to spend about R1 billion a year on electricity infrastructure until 2028. Almost 60% of this outlay is earmarked to expand and strengthen Cape Town's electricity grid and medium-voltage infrastructure.

## PROGRAMME 4.2: INFRASTRUCTURE PLANNING AND DELIVERY SUPPORT PROGRAMME

### *Programme at a glance*

- ✓ Invest in infrastructure to achieve economic recovery and strategic goals
- ✓ Ensure maximum economic and social return on investment
- ✓ Address complex environment through robust infrastructure planning and delivery support



## PROGRAMME 4.3: EXCELLENCE IN WATER AND SANITATION SERVICE DELIVERY PROGRAMME

### *Programme at a glance*

- ✓ Provide and facilitate safe access to water and sanitation for all residents
- ✓ Adhere to well-defined standards to ensure quality water and sanitation services
- ✓ Focus on individual health and dignity in service provision



### *Wastewater treatment project*

The City's Bellville wastewater treatment plant (WWTP) was awarded ISO 50001 certification, attesting to its exceptional commitment to energy efficiency. This achievement establishes the Bellville WWTP as the first municipal plant of its kind in South Africa to attain this globally recognised energy management standard, aligning with the City's mission to build a more sustainable Cape Town and contribute to climate change mitigation. Thanks to the energy-efficiency enhancements implemented at the Bellville WWTP, the plant now benefits from:

- ✓ annual savings of over R1 million in electricity costs;
- ✓ a reduction of more than one million kWh in energy consumption annually;
- ✓ a decrease of 1 000 tons of carbon dioxide emissions per year; and
- ✓ energy savings equivalent to treating 3 000 million litres of wastewater annually.

### *Sewer and pump station maintenance project*

The City is steadily increasing its sewer pipe replacement efforts, having doubled the length of pipes replaced annually from 25 km in 2021/22 to 50 km in 2022/23. Over the next three years, R755 million has been allocated to quadruple annual sewer pipe replacement across Cape Town, aiming to reach 100 km annually.

The pipe replacement strategy is a vital component of the organisation's broader plan to reduce sewer spills over time. This strategy includes major bulk sewer upgrades, proactive cleaning of sewer lines, dedicated sewer spill response teams, and the implementation of digital telemetry systems for early warnings of sewer spills. These collective interventions have already yielded positive results, with a preliminary 30% decrease in reported spills over the past two years.

In addition, the City is further developing the reactive incident management system (RIMA), which will enhance its tracking and coordination of sewer spill responsiveness through digitisation. The system will help ensure a cleaner and more resilient Cape Town.

## UPDATE ON MAJOR BASIC SERVICES PROJECT

### WATER METER REPLACEMENT PROGRAMME

The City's Water and Sanitation Directorate's R108 million water meter replacement programme is on track to help ensure accurate readings and correct billing. Having accurate meters is also important to help residents monitor and manage their water usage.

Water meters in various areas across town have been identified for replacement based on functionality and the age of the existing meters. By the end of 2022/23, the City had replaced more than 27 000 meters as part of this major project.

## PROGRAMME 4.4: WATER RESILIENCE PROGRAMME

### Programme at a glance

- ✓ Transition to a water-sensitive city with diverse water sources
- ✓ Optimise use of stormwater and urban waterways for flood control, aquifer recharge and water reuse
- ✓ Develop an additional 300 million litres of water supply per day
- ✓ Utilise diverse supplies such as groundwater and desalinated water
- ✓ Increase water resilience cost effectively and reduce future water restrictions

SDGs



10 REDUCED INEQUALITIES



### Faure New Water Scheme

In the year in review, substantial progress was made on the Faure New Water Scheme (FNWS), despite a six-month project timeline extension starting in January 2023 to ensure comprehensive public participation.

The FNWS has received water use licence approval from the national Department of Water and Sanitation. The detailed design is in its final stages after feedback from various City environments and a collaborative workshop with stakeholders from the national department. The documentation phase should be completed by February 2024.

Council has approved the initiation of the Municipal Systems Act section 78 process to appoint an independent operator.

Stakeholder engagement has entered phase 4, focusing on public awareness regarding the benefits and risks of water reuse.

### Groundwater project

The City currently operates seven boreholes, producing 18 million litres per day (Mℓ/d). This water is integrated into the supply network via the Steenbras dam and Faure treatment plant, contributing nearly 12% to the upper Steenbras dam's supply.

Additional drilling targeting the deeper Peninsula formation of the Table Mountain group aquifer is planned. One borehole of one kilometre deep has already been completed. The full anticipated yield of the Steenbras cluster is approximately 25 Mℓ/d.

Environmental mitigation and controls are in place to ensure the protection of the Steenbras nature reserve, which falls within the Kogelberg biosphere reserve.

The first wellfield (borehole cluster), located in Strandfontein, is projected to deliver 36 Mℓ/d once fully operational. The managed aquifer recharge component, which will be able to produce 21 Mℓ/d, should be operational by 2026/27 and will help create a water-sensitive city by ensuring that the Cape Flats aquifer is recharged while abstraction occurs. This includes the construction of a pretreatment facility that will treat wastewater to a high standard and then inject it into the Cape Flats aquifer. The construction phase of the civil part of this project is expected to be completed in 2024.

## Desalination project

The City is working to expand its desalination capacity. Feasibility studies at Witzands and the Port Industrial Park confirmed capacities of 150 Mℓ/d and 70 Mℓ/d respectively. An environmental impact assessment is currently under way at the Port Industrial Park. The City has enlisted an independent advisory panel and the Government Technical Advisory Centre for desalination implementation. In March 2022, the Advisory Committee on Water Quality in Wetlands and Waterways was established to provide expert guidance, with members including City councillors, aquatic ecologists and community-based scientists.

## Catchment management project

According to scientific reports, the presence of invasive plants in dam catchments results in the loss of approximately 55 billion litres of water every year, which is expected to rise to 100 billion litres annually within two decades.

In this regard, the Greater Cape Town Water Fund, in collaboration with various stakeholders, has made significant progress in the battle against invasive alien plants. Since 2019, over 40 790 ha of invasive aliens have been cleared, delivering an annual water saving of up to 13,1 billion litres. In 2022/23, invasive alien clearing totalled 12 487 ha, saving over five million litres of water daily. The project has also created 722 green employment opportunities. An additional R75 million is allocated for further clearing over the next three years.

## PROGRAMME 4.5: EXCELLENCE IN WASTE SERVICE DELIVERY PROGRAMME

### Programme at a glance

- ✓ Ensure reliable and sustainable waste collection and disposal to protect both environmental and human health
- ✓ Prioritise the provision of sufficient waste management infrastructure, including adequate landfill airspace
- ✓ Focus on rehabilitating old landfill sites



The City is committed to incorporating the principles of a circular economy into its operations to increase economic opportunities and environmental benefits from valuable waste streams, while ensuring the future sustainability of waste services.

## Landfill management project

An application is in progress to use a transversal tender to conduct a feasibility study for a regional landfill facility. The assessment of the viability of a leachate treatment plant has been finalised, and an action plan has been compiled. The City is working towards the development of an integrated waste facility, which includes alternative technologies and optimum landfilling practices.

## Waste collection efficiency project

The City has adopted ISO 55000 asset management principles to ensure operational and cost efficiencies in the Urban Waste Management Directorate. The directorate's capital budget is also underpinned by economic lifecycle modelling per asset class, which supports optimum fleet availability and lowest cost per unit of operation.

## PROGRAMME 4.6: WASTE MINIMISATION AND RECYCLING PROGRAMME

### Programme at a glance

- ✓ Enable waste minimisation and recycling as central focuses of Cape Town's waste management system
- ✓ Prioritise interventions that reduce waste sent to landfill and lower greenhouse gas emissions
- ✓ Contribute to a resource-efficient economy through sustainable waste management





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### Integrated waste management facilities initiative

The City is investigating the option of organic waste diversion from decentralised facilities and landfill mining. Long-term planning assessment has been completed, and an action plan for implementation has been compiled. Material recovery facilities will be included in the various projects.

### Waste minimisation for a circular economy initiative

As the following table shows, this initiative has diverted over 317 000 tons of waste from landfill sites in 2022/23.

WASTE MINIMISATION PROGRAMME	TONS DIVERTED
Drop-off facilities (recyclables)	5 500
Builder's rubble reused	203 849
Chipping of garden greens at drop-off facilities	53 132
Chipping of garden greens at disposal facilities	41 959
Sea/Green/Mouille Point and Three Anchor Bay (Think Twice)	1 708
Atlantic area (Think Twice)	2 257
Helderberg area (Think Twice)	2 672
Kraaifontein integrated waste management facility (Think Twice)	4 532
Deep South area (Think Twice)	1 704
City paper project	73
Damaged refuse bins (recycled plastic)	109
<b>TOTAL</b>	<b>317 495</b>

In addition to these waste diversion initiatives, the City's waste-to-energy plant at the Coastal Park landfill generated 2 MW of electricity in 2022/23. A similar facility is planned for implementation at the Vissershok landfill. This facility is expected to commence with data monitoring and gas flaring in the 2023/24 financial year and should be generating electricity by 2024/25.

## PROGRAMME 4.7: PROMOTING CLEANLINESS AND ADDRESSING ILLEGAL DUMPING PROGRAMME

### Programme at a glance

- ✓ Address the challenge of illegal dumping, which affects community health and the urban environment
- ✓ Enhance waste collection services to offer efficient and convenient options for all
- ✓ Launch targeted public awareness and education campaigns in partnership with communities to combat illegal dumping



### Area cleaning project

The City's cleansing services reached 99% of Cape Town's informal settlements for the 2022/23 financial year. Peripheral (ad hoc cleaning) services were provided where new informal settlements developed during the course of the year. Cleansing services continue to provide clearance of illegal dumping and services to backyard dwellers, especially in densely populated settlements.

### Public awareness initiative

The City ran a multifaceted public awareness campaign to improve waste habits across 21 subcouncils. Activities included door-to-door education, community exhibitions near illegal dumping sites, talks and classroom presentations

at schools, and holiday library programmes for children. Special community sessions introduced the Urban Waste Management Directorate's new waste services, aiming to reduce illegal dumping and encourage recycling and home composting.

High-traffic areas such as community malls, transport hubs and clinics were selected for face-to-face engagements. The campaign also worked with local businesses, both formal and informal, distributing information on responsible waste management and accreditation opportunities. Special events were aligned with global environmental days, such as Earth Day and Global Recycling Day. Additional initiatives included a summer readiness beach campaign, a citywide Spring Clean campaign, and a waste-to-art schools programme.

The City partnered with various groups, including local communities, youth and women's groups as well as sporting organisations, to broaden the reach of its awareness activities. Bingo, the anti-littering mascot, was also introduced to further engage residents, particularly school learners.

### *Partnerships initiative*

In collaboration with the private sector, non-governmental organisations and local communities, initiatives were established to activate community recyclers, some of whom have grown into small businesses. Noteworthy projects include Green Up in Khayelitsha's Makhaza area with over 100 participants, a venture in Driftsands with about ten participants, and another in Khayelitsha's Site B area with over 200 participants. To ensure financial sustainability, an accreditation training programme for reclaimers was introduced, focusing on creating usable products such as furniture and equipment to meet communities' economic needs. In addition, producer responsibility and extended producer responsibility organisations have contributed essential resources such as personal protective equipment, trollies, containers and scales to facilitate waste collection and recycling.

### *Illegal dumping monitoring and enforcement initiative*

This initiative comprises three phases, with the final phase starting in August 2024. It aims to generate employment for qualified peace officers and enhance enforcement against illegal dumping and littering. In the first phase, 34 auxiliary officers were recruited through the Expanded Public Works Programme. They underwent internal training and were deployed to various areas, increasing visibility and enforcing the City of Cape Town Integrated Waste Management By-law of 2009.

A 24-hour toll-free number was launched to report illegal dumping. Offenders face potential fines, vehicle impoundment or prison sentences. The City also offers rewards of up to R5 000 for reports leading to fines and convictions. As part of these efforts, 2 049 by-law contravention notices were issued in 2022/23.

## PROGRAMME 4.8: EXCELLENCE IN ENERGY SERVICE DELIVERY PROGRAMME

### *Programme at a glance*

- ✓ Ensure reliable electricity supply
- ✓ Minimise service disruptions through effective management and maintenance of the distribution system



### *Energy efficiency in municipal operations*

The City consumes approximately 3% of all electricity used in Cape Town. As such, it is committed to improving the management of electricity use in all its municipal operations with the aim of enhancing resource efficiency, reducing its carbon footprint, and saving money. From 2009/10 to 2021/22, this initiative saved over 303 GWh of electricity, which translates to avoided emissions of 300 245 tCO<sub>2</sub>e and a financial saving of approximately R348 million.

### *City energy-efficiency project*

The City continues to optimise energy use in its facilities to reduce operating costs as well as carbon emissions. Energy-efficiency retrofits and energy audits have been undertaken across City assets. The SmartFacility system, which was launched in November 2019, continues to be used effectively for municipal resource management, with further development of the platform undertaken in 2022/23 to enhance its capabilities.

KEY ACHIEVEMENTS OF THE CITY'S PROGRAMME TO IMPROVE ENERGY EFFICIENCY IN MUNICIPAL OPERATIONS OVER THE PAST YEAR INCLUDED THE FOLLOWING:



buildings updated with light-emitting diode (LED) lights and occupancy sensors, bringing the total buildings retrofitted to 142



buildings retrofitted with energy-efficient air-conditioning systems



million kWh saved with lighting and air-conditioning retrofits



kWp rooftop solar panels installed on 14 City buildings



smart meters added, bringing the total to 1 284 installed in 884 facilities



staff trained to use SmartFacility for real-time resource management



new energy performance certificates issued, bringing the total to 69



traffic lights now fitted with LED technology



LED streetlights installed

# 7.4 SAFETY

## FINDINGS OF 2022/23 COMMUNITY SATISFACTION SURVEY

	2022/23 RATING	2021/22 RATING	YEAR-ON-YEAR SHIFT IN SATISFACTION LEVEL
Law enforcement	2,9	2,7	↑
Disaster management	3,0	2,9	↑
Fire services	2,8	2,9	↓
Public emergency communication	2,7	3,0	↓
Traffic services	3,4	3,1	↑

Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

### STRATEGIC OBJECTIVE 5: EFFECTIVE LAW ENFORCEMENT TO MAKE COMMUNITIES SAFER

#### PROGRAMME 5.1: ENHANCED POLICING PROGRAMME

##### *Programme at a glance*

- ✓ Address high crime in specific areas of town
- ✓ Boost policing capacity by increasing officer numbers and investing in safety tech
- ✓ Focus resources on crime hotspots and areas with gang and gun violence



In 2022/23, the City ramped up its safety measures by conducting 930 drone flights targeted at security activities. In addition, 667 roadblocks specifically focused on combating drinking-and-driving offences, further enhancing road safety. Meanwhile, the City's extensive closed-circuit television (CCTV) network has proven highly effective, detecting 22 498 incidents, which were promptly relayed to first responders. These statistics highlight the administration's multipronged approach to ensuring the safety and security of the people of Cape Town.

The Mayoral Priority Programme for enhanced safety has been focusing on achieving 24-hour law enforcement coverage in crime hotspots. The aim is, among others, to prevent muggings, deter smash-and-grabbers and ensure by-law enforcement.

#### *Law Enforcement Advancement Programme (LEAP)*

The goal of deploying 1 000 LEAP members in 2022/23 was surpassed, with 1 228 officers stationed in 13 areas. These include the top ten murder hotspots in the Western Cape, namely Delft, Gugulethu, Harare, Khayelitsha, Kraaifontein, Mfuleni, Mitchells Plain, Nyanga, Philippi East and Samora Machel. The remaining high-crime areas are Atlantis, Bishop Lavis and Philippi (Hanover Park).

LEAP deployments are data-driven, with officers allocated based on local homicide rates. A LEAP Reaction Unit addresses flare-ups in murder cases, serving as a fourteenth deployment area. Officer shifts have also switched to a 24/7 system, boosting deployments at night and on weekends, when homicides typically increase.

## PROGRAMME 5.2: SAFETY TECHNOLOGY PROGRAMME

### *Programme at a glance*

- ✓ Utilise technology as a force multiplier in combating crime and improving public safety
- ✓ Strengthen the City's EPIC platform for efficient incident management, including call logging, dispatch and real-time reporting
- ✓ Build data-gathering and analysis capabilities, including community information
- ✓ Base resource deployment and crime prevention on near-real-time data for a timely response to threats



The City is amplifying its investment in safety technology to enhance public safety with a budget allocation of just over R80 million. This budget is funding an array of interventions, such as CCTV cameras, drones as well as dashcams and bodycams for law enforcement. Specifically, R48 million has been earmarked for augmenting and replacing existing CCTV cameras across Cape Town, along with gunshot-detection technology.

The CCTV roll-out plan serves as a roadmap, advising on priority locations for new installations and establishing guidelines for collaboration with key stakeholders such as the South African Police Service (SAPS) and local businesses. The City is no stranger to digital tools in its safety and security efforts: Hand-held digital devices linked to its Emergency Policing and Incident Command (EPIC) system have already streamlined the logging of incidents and the

issuance of fines. Significant strides have also been made in gunshot-detection technology and automated number plate-recognition software, particularly benefiting the Traffic Service's Highway Patrol Unit, which was launched in November 2022. These digital tools help track down stolen vehicles and identify motorists with outstanding warrants.

The focus is not solely on short-term gains. The long-term vision includes the establishment of an aviation unit in the Safety and Security Directorate, as well as ongoing investment in additional staffing, training and other essential resources such as vehicles and firearms.

### *Technology safety partnerships project*

In 2022/23, the City's Public Emergency Communication Centre (PECC) made significant strides in its operations. The centre, which operates 24/7, logged a total of 581 297 calls, mainly pertaining to medical, policing and traffic issues. Despite having lost seven staff positions since 2020/21, response rates remain good, with 73,24% of calls answered within ten seconds.

The integration of the CareMonX system, which was launched in the previous financial year, is progressing smoothly. It has brought numerous improvements, including direct logging of all medical calls onto Province's Emergency Medical Service (EMS) system, which improves response times for medical emergencies. This integration has required ongoing training updates for staff, which are managed in collaboration with EMS.

Finally, the PECC has been actively promoting its emergency numbers across various City departments and public forums to ensure that the community knows how to access its services. There were 252 marketing interventions throughout the year, and the contact details were also included in 68 media releases.

### *Incident, crime and emergency detection project*

As part of the City's ongoing commitment to public safety, it continues to invest in both human resources and technology to ensure that its strategies align with international best practice.

The hi-tech Highway Patrol Unit, comprising 30 operational members and two administrative staff, is showing promising results in improving road safety. Within a mere four months following its establishment, the unit made 400 arrests thanks to the integration of dashcams and automated number plate-recognition technology in vehicles. This advanced

A close-up photograph of two women of different ethnicities smiling warmly and embracing each other. The woman on the left is wearing a maroon headscarf and a teal top, while the woman on the right is wearing a colorful striped headscarf and a yellow and white patterned top. The background is a solid reddish-brown color.

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technology enables officers to automatically track motorists with outstanding warrants and identify stolen or fraudulent vehicles. Altogether 15 arrests were made for possession of stolen or hijacked cars.

The establishment of the unit represents a step towards a 24-hour security presence in key areas and proves the benefits of combining technology with traditional policing methods. This approach not only improves response times, but also enables targeted interventions.

The investment in expanding the CCTV camera system has resulted in an increase in arrests across town. In 2022/23, arrests exceeded the expected number of apprehensions by 30%.

In addition, the gunfire detection system is now fully installed in communities most affected by gun violence, with 9 km<sup>2</sup> of land monitored for gunfire.

### *Digital evidence management project*

To ensure meaningful partnerships between the City, Province's Department of Police Oversight and Community Safety (POCS), SAPS, EMS and others, all stakeholders need to be able to share data in an effective and legally compliant way. The initial step to enable this was the procurement of a digital evidence management solution, which is linked to the bodycam project. Dialogue with external stakeholders such as SAPS, POCS and the National Prosecuting Authority is under way to ensure a smooth roll-out. Concerns about the commercial misuse of stored data, particularly licence plate information, are being addressed, and policies are being updated for legal compliance.

## STRATEGIC OBJECTIVE 6: STRENGTHEN PARTNERSHIPS FOR SAFER COMMUNITIES

### PROGRAMME 6.1: PARTNERSHIPS FOR COMMUNITY SAFETY PROGRAMME

#### *Programme at a glance*

- ✓ Enable collective action for safety improvement
- ✓ Strengthen relations between government, neighbourhood watches, non-governmental organisations and community safety structures
- ✓ Empower communities with information on crime prevention, emergencies and disaster response



The City continues to deliver on its strategy to enhance public safety through a multifaceted approach. In the past year, 81 new auxiliary law enforcement officers were recruited and trained, reinforcing the focus on community safety and supplementing ongoing investment in safety technology. In addition, the neighbourhood watch support programme achieved a 100% client satisfaction rate, highlighting its effectiveness in community engagement and crime prevention.

### *Neighbourhood watch support project*

In the year in review, the City continued to fortify its neighbourhood watch support programme by enhancing training and providing resources to accredited neighbourhood watches (NWEs). Recent upgrades include an extended situational crime-prevention training programme that covers four key areas, from theory to action planning. First-aid training was introduced for the first time, benefiting NW members in various districts.

These enhancements go beyond funding; they also demonstrate the City's confidence in NWEs to contribute significantly to community safety. Apart from crime prevention, these groups are becoming more involved in local disaster response efforts and the City has therefore developed a programme to train NWEs in the principles of disaster management so that they can assist when needed.

Other recent developments in the programme include the introduction of collaborative crime prevention initiatives aimed at:

- ✓ addressing situational factors that might contribute to crime in a specific area;
- ✓ mobilising neighbourhood watches to embark on street numbering campaigns to aid emergency service and police response;
- ✓ establishing the neighbourhood watch disaster risk management initiative; and



- ✓ setting up community safety hubs to strengthen collaboration among various stakeholders in the safety and security environment.

### *Auxiliary law enforcement project*

The auxiliary programme recruited 81 new members, who were enrolled in Law Enforcement's auxiliary service. Another 100 members will be recruited in 2023/24. Members undergo ongoing training on equipment and technology.

## PROGRAMME 6.2: HOLISTIC CRIME PREVENTION PROGRAMME

### *Programme at a glance*

- ✓ Invest in safer public spaces and community facilities for recreation and development
- ✓ Reduce the likelihood of crime through positive influences
- ✓ Contribute to crime prevention via substance abuse programmes and relationship building between communities and the police
- ✓ Leverage other City programmes for economic growth and job creation as indirect crime prevention measures



### *Improving relationships with Metro Police and communities*

In 2022/23, the City continued with its two pioneering programmes aimed at shaping future law enforcement leaders. The cadet programme enrolled 42 participants, and the youth leadership programme attracted 502 learners from 19 schools. In the course of the reporting year, 20 sessions were held for these young leaders. Both initiatives aim to improve the success rate of participants who later choose to join the City's law enforcement ranks.

### *Substance abuse project*

In the year in review, the City made considerable strides in combating substance abuse, which is a key driver of crime and social disorder. One of the flagship initiatives in this regard is the Strengthening Families programme, which has seen the launch of 21 separate initiatives that reached 313 families. High impact was also achieved through the implementation of 90 substance abuse interventions. These interventions touched the lives of 1 231 individuals through the Essentially Me programme, while another 1 796 were reached through the foetal alcohol syndrome initiative.

To raise public awareness, two substance abuse information days were held. This led to an increased interest in substance abuse literature, as evidenced by the borrowing of 55 269 related books from the City's libraries.

The City's clinics and Matrix® substance abuse treatment facilities played a pivotal role in providing treatment options. The Matrix® facilities screened 2 506 persons seeking assistance, and an additional 1 614 assessments were carried out at City clinics offering the Matrix® treatment model. An average of 83% clean drug tests was maintained across the clinics throughout the year, proving the effectiveness of the treatment programmes.

On the education front, after-school programmes were successfully hosted at 67 sites, reaching 148 801 learners. Altogether 141 after-school practitioners and six community liaison officers are now also employed at 48 sites, ensuring a coordinated and effective approach.

A total of 6 939 drug raids citywide resulted in 942 arrests. During these operations, 6 349 units of drugs were confiscated, along with 16 firearms. The City also reviewed 218 new liquor licence applications and inspected 1 676 licensed liquor premises, of which 1 522 were found to be compliant. Further inspections were done at 693 unlicensed premises.

Public safety was bolstered in various ways, including by attending to 245 complaints, conducting 350 283 screenings, and executing 2 500 arrests for driving under the influence. In addition, 519 roadblocks were set up as part of ongoing enforcement activities.

# 7.5 HOUSING

## FINDINGS OF 2022/23 COMMUNITY SATISFACTION SURVEY

	2022/23 RATING	2021/22 RATING	YEAR-ON-YEAR SHIFT IN SATISFACTION LEVEL
Housing and informal settlements	2,8	2,6	↑

Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

### STRATEGIC OBJECTIVE 7: INCREASED SUPPLY OF AFFORDABLE, WELL-LOCATED HOMES

#### PROGRAMME 7.1: PARTNERSHIP FOR AFFORDABLE HOUSING PROGRAMME

##### *Programme at a glance*

- ✓ Initiate programmatic release of City land for affordable housing in Cape Town
- ✓ Utilise regulatory measures to aid well-located housing development
- ✓ Prioritise land near economic centres, transport nodes and social facilities
- ✓ Emphasise social housing for long-term affordability and financial sustainability
- ✓ Focus on spatial integration, urban regeneration and transit-oriented development



In the past year, the City made notable progress in delivering on its affordable-housing commitments, providing 1 811 top structures and delivering 1 638 serviced sites for formal housing.

Through robust public partnerships, the City has capitalised on its land assets to attract private-sector investment to transit-oriented development precincts. This strategy not only bolsters economic activity, but also creates affordable housing opportunities in well-situated areas close to public transport and job markets.

To further the human settlements programme, the City has set a three-year goal of delivering 5 862 top structures from 2022/23 to 2024/25. Achieving this goal will rely on the provincial Human Settlements Development Grant, which undergoes quarterly adjustments and could influence the rate at which top structures are delivered.

##### *Inclusionary housing initiative*

The inclusionary housing and social housing policies were combined into a proposed Affordable Housing Policy, which also supports the implementation of the Mayoral Priority Programme aimed at land release for affordable housing. The policy concept note was developed during the year, and drafting is expected to commence early in the new year.

#### PROGRAMME 7.2: TENURE SECURITY PROGRAMME

##### *Programme at a glance*

- ✓ Fast-track secure tenure and ownership transfer programmes

- ✓ Collaborate with other government spheres in the property value chain
- ✓ Focus on providing title deeds to offer households economic and financial security



### *Public housing ownership transfer initiative*

In October 2022, Council approved the no-cost transfer programme to help beneficiaries of Council-owned rental units, delayed-transfer properties and historic serviced sites obtain their title deeds for free. The City currently funds the attorney transfer costs at a below-market rate of R2 500 per transfer and continues to insure sold rental units until the transfer registration date. The plan is also to write off any outstanding debt on properties transferred as part of the programme. A policy review submission has been made to the Western Cape MEC for Infrastructure. If approved, this will allow the City to fund all remaining debt and enable cost-free transfers for eligible beneficiaries.

### *Subsidised housing tenure initiative*

The transfer target for the Additionally, 23 financial year was 1 900 transfers, and by the end of 2022/23, a total of 2 538 transfers had been completed, including historical and new transfers. The current monitoring sheet on transfers was working well. The target set for the 2023/24 financial year is 2 150.

## PROGRAMME 7.3: INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME

### *Programme at a glance*

- ✓ Continue support for national and provincial subsidised housing, despite decline in funding
- ✓ Leverage City capabilities for efficient, high-standard subsidised housing

- ✓ Maximise benefits for beneficiaries, while reducing spatial inequality



The City delivered 1 638 serviced sites and a total of 1 811 top structures for the 2022/23 financial period. This included various BNG housing projects, EPHP housing opportunities as well as two Social Housing projects. Projects currently under construction include Harare, Greenville Phase 4, Belhar Pentech, Sir Lowry's Pass, Gugulethu Infill, and Pooke se Bos. Projects set to commence soon are Macassar, Maroela South, and Edward Road.

### *Breaking New Ground programme*

The Breaking New Ground programme provides a fully subsidised home to households who earn R3 500 per month or less, are registered on the City's Housing Needs Register, and qualify in terms of the City's Housing Allocation Policy.

The current emphasis of the programme is on optimising well-located vacant infill sites and densifying layouts through the construction of double-storey row houses. Densification results in smaller sites with semidetached double-storey structures and limited space for additional informal units. Providing adequate infrastructure for incremental densification is a new model, and discussions with service departments are ongoing. Infrastructure development costs are expected to exceed current grant funding guidelines. For the 2022/23 financial year, a total of 1 638 serviced sites and 1 167 top structures were delivered as part of the BNG housing programme.

### *Enhanced People's Housing Process*

The City is considering making use of state entities such as the National Housing Finance Corporation to help implement Enhanced People's Housing Process projects.

## PROGRAMME 7.4: PUBLIC RENTAL HOUSING PROGRAMME

### Programme at a glance

- ✓ Develop incentives for transferring freestanding public housing to qualifying beneficiaries
- ✓ Enhance maintenance, tenancy management and community safety in public rentals
- ✓ Address poor rental collection rates
- ✓ With no expansion planned, focus on maintenance and transfer initiatives



In the 2022/23 financial year, the City sold 573 saleable rental stock units to qualifying beneficiaries and finalised 184 transfer registrations. These transactions are linked to the public housing ownership transfer initiative.

## STRATEGIC OBJECTIVE 8: SAFER, BETTER-QUALITY HOMES IN INFORMAL SETTLEMENTS AND BACKYARDS OVER TIME

### PROGRAMME 8.1: MICRO-DEVELOPER AND ADDITIONAL DWELLING IMPROVEMENT PROGRAMME

#### Programme at a glance

- ✓ Support micro-developers in delivering large-scale, affordable rental accommodation
- ✓ Aim for better-quality and safer homes, contributing to a denser, inclusive housing market

- ✓ Leverage housing construction for economic growth, skills development and job creation
- ✓ Deliver property wealth growth for lower-income families



A process has begun to identify potential sites for micro-development, including possible sites in Mitchells Plain, through the optimisation of open space. Initial assessments are carried out to ensure that sites meet all zoning and regulatory requirements before market release.

The City's Human Settlements Directorate is leading a working group to create a land release programme and prioritised property list. The Urban Planning and Design Department has issued guidelines to help micro-developers decide on unit numbers and configurations, speeding up building plan approvals.

## PROGRAMME 8.2: INFORMAL SETTLEMENTS UPGRADING PROGRAMME

### Programme at a glance

- ✓ Deliver rapid, large-scale improvement of informal settlements
- ✓ Pursue a five-year goal of improvement in all recognised informal areas
- ✓ Prioritise basic services and functional tenure as an immediate response
- ✓ Address unhealthy living conditions, limited utilities and disaster risks



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A draft concept note was prepared to outline the proposed phased implementation of the planned Local Planning Support Office. Engagements with both internal departments and external stakeholders have been conducted to pinpoint the functional needs that the office should address. An operational structure was developed, specifying the types of skills and qualifications required for the envisaged office, and identifying potential areas of intersection with other services. The City is still reviewing the suggested organisational design.

Moreover, a business case has been drafted for Mayoral Committee approval, covering both the establishment and operation of the office. The goal is to have the organisational design and positions approved and the recruitment and selection process completed by March 2024.



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# 7.6 PUBLIC SPACE, ENVIRONMENT AND AMENITIES

## FINDINGS OF 2022/23 COMMUNITY SATISFACTION SURVEY

	2022/23 RATING	2021/22 RATING	YEAR-ON-YEAR SHIFT IN SATISFACTION LEVEL
Sports fields	3,0	2,8	↑
Beaches	3,1	2,9	↑
Community recreation centres and halls	3,1	2,9	↑
Swimming pools	3,0	2,9	↑
Parks	2,9	2,7	↑
Cemeteries	3,0	2,8	↑
Libraries	3,2	3,0	↑
Health services	3,0	2,8	↑
Nature reserves	3,1	2,9	↑
Environment	3,1	2,9	↑

Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

### STRATEGIC OBJECTIVE 9: HEALTHY AND SUSTAINABLE ENVIRONMENT

#### PROGRAMME 9.1: ENVIRONMENTAL AND BIODIVERSITY MANAGEMENT PROGRAMME

##### *Programme at a glance*

- ✓ Value Cape Town’s biodiversity as crucial for ecological, social and economic health
- ✓ Commit to protecting and restoring natural areas
- ✓ Aim to ensure long-term sustainability and efficacy
- ✓ Improve resilience to climate change



Twelve of the City's 16 nature reserves are officially recognised as managed conservation areas under the National Environmental Management: Protected Areas Act 57 of 2003, with two more pending recognition. In addition, the proclamation process has started for five new City nature reserves, as well as an additional six sites to be added to existing reserves.

### *Biodiversity management initiative*

The Biodiversity Management Branch updated the action plan component of the Local Biodiversity Strategy and Action Plan and BioNet maps for 2023. A draft updated Bioregional Plan was also completed in June 2023.

Biodiversity priority areas now total 81 418,64 ha, down from roughly 85 000 ha in 2009. Cape Town has 55 365,33 ha of protected land, which represents 65,14% of its biodiversity priority areas. The extent of protected land now falls just short of the IDP target, which is the result of the de-proclamation of CapeNature's Driftsands nature reserve in 2022.

The Macassar Dunes East conservation landbank has facilitated five City housing developments, offering 81 ha for biodiversity offsets and 7 879 residential opportunities.

Ecological burns and alien clearing are carried out for ongoing biodiversity protection. In the year in review, 15 265,49 ha of terrestrial and 663,2 ha of aquatic areas were cleared of invasive plants. Green job and skills development opportunities were maximised. Key biodiversity projects progressed, including tackling water quality and land invasion issues. Protected-area advisory committees continued to ensure community involvement in the City's nature reserves.

Educational programmes engaged 20 386 learners from 143 schools (along with 1 454 teachers and 11 990 adults), resulting in 34 728 person-days of education conducted.

Paid and open-access nature reserves received more than 631 432 visitors. Through paid gates and events, an income of R9,5 million was generated, representing revenue collection of 168% of the target for the year.

### *Green infrastructure initiative*

Green infrastructure is gaining prominence in the City's policy documents. Among others, it is being included in the Municipal Spatial Development Framework as well as district spatial development and environmental management frameworks.

The updated Green Infrastructure Network has been included as a layer on the internal city map viewer, where it can be used to inform ecosystem service provision of mapped spaces. Projects in support of green infrastructure under the auspices of the Liveable Urban Waterways programme are in the design phase. Other projects are to be identified under the initiative "Green infrastructure options for improved waterway and catchment management", which is supported by the C40 Climate Finance Facility (CFF).

## PROGRAMME 9.2: CITY HEALTH PROGRAMME

### *Programme at a glance*

- ✓ Tackle quadruple burden of non-communicable disease, infectious disease, maternal and child disease, and trauma
- ✓ Improve overall health outcomes
- ✓ Offer residents quality healthcare and a healthy urban environment



### *Primary healthcare initiative*

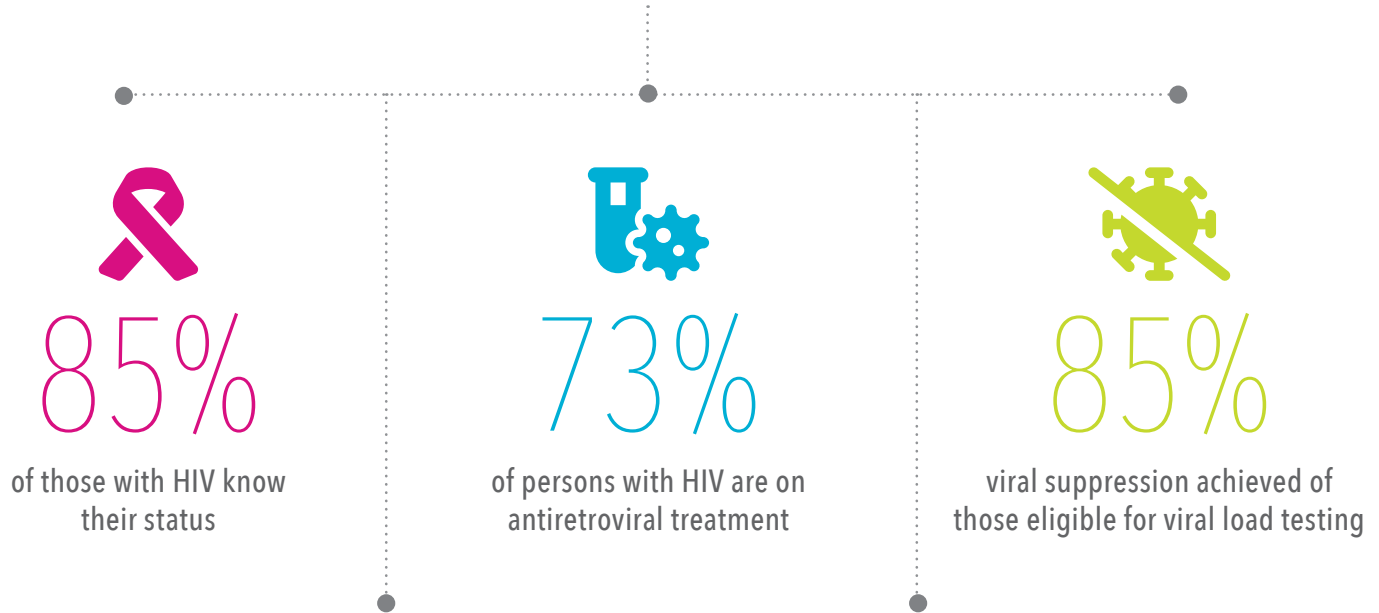
The City Health Department continues to provide quality, accessible and appropriate primary healthcare to the most vulnerable communities of Cape Town. This is realised through 87 primary healthcare clinics with a broad service offering, environmental health services, as well as Matrix® substance abuse treatment facilities.

Across these three domains, City Health contributes to the betterment of communities' health through health promotion and the prevention and treatment of disease.



Key indicators of progress with health outcomes include the following:

## HIV



## TUBERCULOSIS (TB)



## DIABETES



## Environmental health initiative

The City wishes to modernise its environmental health systems, including digitising manual processes and introducing mobile and online solutions. Key deliverables include:

- ✓ a case management solution for food and air quality applications;
- ✓ an e-Services online portal for environmental health applications; and
- ✓ a mobile solution for fieldwork to enable electronic data capturing.

In 2022/23, the online portal solutions for food made good progress, while those for air quality were finalised. The project is within budget, the steering committee meets monthly, and regular staff updates are provided. User acceptance testing for the air quality system took place in June 2023. The air quality solution is expected to go live in August 2023, with the complete e-Services and mobile solution launching in April 2024.

## STRATEGIC OBJECTIVE 10: CLEAN AND HEALTHY WATERWAYS AND BEACHES

### PROGRAMME 10.1: HEALTHY URBAN WATERWAYS PROGRAMME

#### Programme at a glance

- ✓ Ongoing maintenance and optimisation of Cape Town's waterway system
- ✓ Focus on flood prevention and clearing litter, dumping and pollution
- ✓ Aim to make waterbodies cleaner, more resilient and accessible
- ✓ Collaborate for shared water-quality data and collective action



Remediation plans for Rietvlei, Zandvlei, Zeekoevlei and the Milnerton lagoon are complete, outlining short-term and long-term ecological interventions. Milnerton lagoon and Zeekoevlei are priority sites for dredging, and the environmental impact assessment and water use licence application processes for Zeekoevlei are ongoing.

Standard operating procedures have been developed for recreational vlei management. The Diep River Estuarine Plan has been approved, while Zandvlei's plan is pending after public input.

Capital acquisitions in the year in review included a new truck for Rietvlei and a vessel for Zandvlei. Weed harvesters for both locations are being manufactured and should be delivered in 2023/24. An additional 20 river wardens were deployed in the Sand river, Diep river and Zeekoe catchments to remove invasive species and waste, supporting overall restoration and long-term sustainability.

### PROGRAMME 10.2: COASTAL PROGRAMME

#### Programme at a glance

- ✓ Recognise that coastline is crucial for Cape Town's economy, society and environment
- ✓ Invest in restoring priority coastal infrastructure
- ✓ Focus on improving climate change resilience



#### Coastal infrastructure initiative

Refurbishment efforts at various locations across town are making significant progress. Fisherman's Lane at Strandfontein Pavilion is being refurbished, and a revetment is being installed at Milnerton beachfront to counteract storm impact and rising sea levels. Fish Hoek's dune rehabilitation is progressing well, and dune reprofiling is under way. The Table View dune project has achieved notable success with

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94 000 plants rescued and replanted, 162 515 m<sup>3</sup> of sand moved, and 23 km of netting installed, enhancing one of Cape Town's prime tourist spots on the Atlantic coastline.

## STRATEGIC OBJECTIVE 11: QUALITY AND SAFE PARKS AND RECREATION FACILITIES

### PROGRAMME 11.1: QUALITY COMMUNITY FACILITIES PROGRAMME

#### *Programme at a glance*

- ✓ Recognise that community facilities are essential for social networks and cohesion, learning and recreation
- ✓ Commit to quality facilities for all, focusing on vulnerable communities
- ✓ Optimise current portfolio to better meet residents' needs



In the past year, the Community Services and Health Directorate spearheaded planning in key areas to tackle short-term to medium-term goals, while maintaining a long-term perspective. The central strategy is to optimise facility clusters for maximum resource efficiency, ensuring that facilities accommodate multiple uses and sporting codes and are strategically located based on population factors.

#### *Community facilities initiative*

To deliver equitable and sustainable amenities to Cape Town's residents, key strategies and facilities were developed, including the integrated recreation facilities programme, regional recreation hubs, the swimming pool programme, and synthetic pitches. Major hurdles included community unrest, vandalism and gang violence. To mitigate security issues, Community Services and Health closely collaborated with the Safety and Security Directorate as well as SAPS.

Constant community engagement was also maintained to minimise the impact of social disruptions. Another key task was to ensure compliance with the Safety at Sports and Recreational Events Act 2 of 2010 at all facilities.

#### *Recreation and parks development and activation initiative*

Ten sports fields and stadia were developed or upgraded, along with six parks or leisure facilities and three community swimming pools.

In partnership with the Cape Town Netball Federation, the City reviewed 90 of its netball facilities, which included 242 courts, to ensure that they met international standards for the 2023 Netball World Cup. Surveys were also conducted to measure participation in both formal and informal netball leagues. Sixteen netball locations were earmarked for improvements, which will extend into 2023/24. Various programmes and events were organised in the run-up to the World Cup, such as a netball after-school programme, a netball challenge for under-19s, and a street netball programme. World Cup-inspired murals were also installed at sport facilities, and World Cup viewing sites were proposed.

#### *Cemetery and crematorium provision project*

A first briefing with professional services consultants took place to initiate work for expansions and new developments at priority cemetery sites, including Sir Lowry's Pass, Metro Southeast, Rusthof and Tafelsig. Additional scoping for professional services will be undertaken in 2023/24 to further refine the list of sites and complete detailed environmental impact assessments.

Preparations for the installation of two new cremators at the City's Maitland crematorium began in May 2023. The project, which also includes upgrades to the crematorium, is on track for completion by 31 December 2023.

#### *Library facility and access to information project*

In 2022/23, the City's Library and Information Services focused on both physical and virtual access to foster a reading culture and meet educational needs. While maintaining traditional services such as information, referral, guidance and lending during library opening hours, 24/7 virtual services also expanded significantly. These core offerings were augmented with support services such as SmartCape, specialised programmes and the provision of community spaces.

In collaboration with the Information Systems and Technology Department, Library and Information Services improved the City's library offering by automating processes and increasing Wi-Fi access. Efforts were also made to develop library patrons' digital literacy, offering training via SmartCape computers, tablets or personal devices. Where possible, libraries opened their halls outside of regular hours, and outreach services such as block loans and visits to crèches, old-age homes, educational establishments and informal settlements were also undertaken.

## PROGRAMME 11.2: PARTNERSHIPS FOR QUALITY PUBLIC SPACES PROGRAMME

### Programme at a glance

- ✓ Partner with communities and organisations
- ✓ Improve and manage public spaces and facilities
- ✓ Enhance the quality, safety and utilisation of spaces

<p>SDGs</p>	<p>4 QUALITY EDUCATION</p> 	<p>10 REDUCED INEQUALITIES</p> 
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 	

### Sustainable strategic partnerships initiative

The City Health Department continues its partnership with Province's Department of Health and Wellness to provide personal primary healthcare services. This is governed by a service level agreement that defines both parties' responsibilities.

City Health is also participating in an initiative called "Scaling data use to improve patient care", which is made possible through a grant administered by the Health Foundation.

### Friends of libraries and parks initiative

The City continues to forge and maintain important partnerships with multiple Friends of the Library groups, who have a longstanding relationship with several public libraries. These groups offer vital support and assistance, and also serve as library champions in their communities. The City currently partners with 46 active Friends of the Library groups to enhance its library offering.

Other valued partners are volunteers, who offer much-needed assistance to libraries with particular programmes and events.



# 7.7 TRANSPORT

## FINDINGS OF 2022/23 COMMUNITY SATISFACTION SURVEY

	2022/23 RATING	2021/22 RATING	YEAR-ON-YEAR SHIFT IN SATISFACTION LEVEL
Public transport	3,0	2,8	↑
Roads	3,0	2,8	↑
Stormwater drainage	2,9	2,8	↑

Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

### STRATEGIC OBJECTIVE 12: A SUSTAINABLE TRANSPORT SYSTEM THAT IS INTEGRATED, EFFICIENT AND PROVIDES SAFE AND AFFORDABLE TRAVEL OPTIONS FOR ALL

#### PROGRAMME 12.1: PUBLIC TRANSPORT REFORM PROGRAMME

##### Programme at a glance

- ✓ Address challenges of high congestion, rail collapse, and costly and time-consuming commutes
- ✓ Make incremental improvements for quick, widespread benefit as well as longer-term congestion relief.
- ✓ Integrate various transport modes
- ✓ Focus on access, safety, convenience, reliability and quality
- ✓ Invest in public transport to encourage transit-oriented development
- ✓ Invest to reduce transport sector's carbon emissions

SDGs

**3** GOOD HEALTH AND WELL-BEING  


**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE  


**11** SUSTAINABLE CITIES AND COMMUNITIES  


 18 323 763

passenger journeys completed on MyCiTi buses

 1,06

passengers transported for each scheduled kilometre travelled by MyCiTi bus

 5

road corridors received updates to traffic signal timing plans

In the past year, the City drafted and received Council approval for a Comprehensive Integrated Transport Plan, which will align with and serve as an update to the Integrated Public Transport Network 2032 Plan. At the same time, the City is making progress with the freeway management system project, an initiative designed to improve road transport infrastructure.

Another critical focus area is regular performance feedback sessions with the Transport Enforcement Unit, which falls under the Safety and Security Directorate. Eleven sessions were conducted in the reporting year.

On the business development front, various business plans are nearing completion. These plans encompass everything from business parameters and strategic frameworks to business cases and position papers within the transport space.

The City's Transport Information Centre is maintaining its efficiency in answering calls, having handled 88% of all incoming calls within two minutes in the past year. These calls range from complaints and bus schedules to enquiries about different modes of transport.

### *Public transport interchange improvement initiative*

The City had two public transport interchanges (PTIs) under construction in 2022/23, namely those in Somerset West and Makhaza. The Makhaza PTI was completed in October 2022, while the planned completion date for the Somerset West PTI is March 2024. In addition, preliminary designs have been completed and site development plans approved for the Manenberg and Mfuleni PTIs, and work is ongoing to identify appropriate sites and commence with concept designs for PTIs in Wesbank, Macassar and Vrygrond.

On the technology front, three smart technology installations were completed at PTIs by the end of the reporting year, improving commuter safety and security through the use of advanced analytics, artificial intelligence and machine learning. Benefits of the technology include free public Wi-Fi, environmental monitoring and the implementation of access control systems at PTIs, along with the establishment of a transport data warehouse.

### *Minibus-taxi industry transition initiative*

The City is working towards forming two minibus-taxi vehicle operating companies (VOCs) as part of the MyCiTi metro southeast corridor. In 2022/23, the minibus-taxi industry's input was obtained on the VOC prospectus, which

spells out the details of future services. A survey report was also prepared to enable market share determination. Engagements with the industry continue.

## PROGRAMME 12.2: RAIL IMPROVEMENT PROGRAMME

### *Programme at a glance*

- ✓ Assist vulnerable residents affected by failing PRASA-operated rail
- ✓ Recognise the impact of failing rail on travel times and costs, job access and passenger numbers
- ✓ Urgently protect and reinstate rail services
- ✓ Advocate for devolution of rail functions to local entity
- ✓ Aim for private-sector concessions to restore rail services



The City's rail feasibility study is progressing smoothly with the aim of guiding the administration's takeover of passenger rail service management from PRASA. Initial findings reveal that a functional passenger rail system would yield significant economic and social benefits for Cape Town. A functional rail system could save low-income households an estimated total of up to R932 million annually, sustain over 51 000 jobs, and infuse R11 billion into the local economy each year.

The analysis shows that over a 20-year period, Cape Town would save a total of R81,6 billion at current values. This includes R31 billion in vehicle operating costs, R30,7 billion in congestion time, R11,1 billion in casualty costs, and R8,7 billion in vehicle crash costs. These savings translate into a 4% boost to Cape Town's annual gross domestic product and will provide additional resources that can be redirected to further invest in Cape Town's future economy.

## Rail devolution initiative

The inception report was completed in the year in review, and the baseline assessment of Cape Town's rail system is now 86% complete. The timeline for completing the remaining portions of the baseline assessment is yet to be confirmed. With these efforts, the City aims to offer actionable insights that will support the restoration and long-term sustainability of Cape Town's passenger rail services. For 2023/24, the plan is to complete the baseline assessment and achieve 50% completion of an alternative institutional report.

## PROGRAMME 12.3: BUS RAPID TRANSIT (BRT) PROGRAMME

### Programme at a glance

- ✓ Commit to expanding Cape Town's public transport services
- ✓ Implement major BRT corridor that links Khayelitsha, Mitchells Plain, Claremont and Wynberg by 2027/28
- ✓ Focus on universal access, speed, safety and affordability
- ✓ BRT to support transit-oriented development and economic opportunities



Construction of the Govan Mbeki main route reached 21% completion in 2022/23, while the building works on the Mitchells Plain and Khayelitsha depot was 19% complete by the end of the reporting year. The fourth-quarter target was not met due to construction work stoppages following extortion threats.

### BRT service excellence initiative

The development of a final, standardised VOC template is ongoing, but has faced delays after the VOC prospectus had to be revised to mitigate against future challenges. The aim

is to integrate lessons learned and best practices in public transport into a final framework template for VOCs.

The automated fare collection system achieved 89% uptime during MyCiTi's operational hours in the past year. Load-shedding does affect system uptime, but the City is installing backup power at MyCiTi stations to address disruptions.

Eleven MyCiTi buses were refurbished during the year.

In terms of passenger metrics, Dial-a-Ride recorded 58 526 passenger journeys in 2022/23. MyCiTi buses had an average of 1,06 passengers per kilometre scheduled, and recorded 18 323 763 passenger journeys.

Punctuality remains a strength for municipal bus services, with 73% of trips running within a window of two minutes early to five minutes late, as measured at various timing points in the system. Meanwhile, 98% of MyCiTi bus service stops are universally accessible, fulfilling the need for inclusive access.

The MyCiTi service now boasts 1 440 scheduled access points across central Cape Town and the Atlantic seaboard, enhancing network coverage.

## PROGRAMME 12.4: TRAVEL DEMAND AND CONGESTION RELIEF PROGRAMME

### Programme at a glance

- ✓ Recognise that congestion is costly in time, money and environmental impact and affects the efficiency of minibus-taxis and contracted buses
- ✓ Commit to improving public transport and non-motorised infrastructure
- ✓ Introduce targeted road capacity improvements





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### Targeted road capacity enhancement project

Achievements in the year in review include:

 2,93 km

of new lanes constructed, and  
4,5 km planned for 2023/24

 Koeberg

nuclear power station's  
evacuation simulation  
transport model completed  
and handed over to the City

 Inception

report for Foreshore Freeway/  
bridge project completed

### Traffic signal efficiency project

Achievements in the year in review include:

 Signal

timing plan updates completed  
for five road corridors

 57

data collection  
stations implemented

 10

fibre-optic cable  
installations completed



### Sustainable transport initiative

A three-year parking management contract has been awarded, including the management of kerbside and off-street parking.

## STRATEGIC OBJECTIVE 13: SAFE AND QUALITY ROADS FOR PEDESTRIANS, CYCLISTS AND VEHICLES

### PROGRAMME 13.1: ROAD SAFETY AND MAINTENANCE PROGRAMME

#### Programme at a glance

- ✓ Prioritise a quality road network
- ✓ Ensure effective maintenance and upgrade strategies for roads and public transport
- ✓ Invest in non-motorised transport for safer pedestrian and cyclist travel
- ✓ Enhance access to public transport
- ✓ Focus on cleaner, carbon-neutral travel options



Key achievements in 2022/23:

- ✓ 180,2 km of road resurfaced

### Non-motorised transport (NMT) infrastructure expansion initiative

The City managed to build 11,12 km of NMT paths in the past year and has ambitious plans to construct 21 km in 2023/24. Alongside this, 10,51 km of new pedestrian walkways were also completed in the year in review, with another 21 km planned for next year.

Several key NMT projects are at varying stages of planning and preliminary design. These include projects in areas such as Old Paarl and Suikerbos roads, Mitchells Plain, Khayelitsha, and Kensington.

Transport infrastructure maintenance achievements in 2022/23:

 4,45 km

of roads rehabilitated  
(R59 842 623 value)

 108%

of stormwater rehabilitation and improvement projects completed (R9 095 701 value)

 2 900 m

of improvements to informal settlement tracks and surface drainage (R3 825 252 value)

 209,45 km

of roads resurfaced/  
rehabilitated/resealed

Transport infrastructure maintenance achievements in 2022/23:

 81,2%

of unsurfaced roads graded

 24

controllers replaced

 53,98%

of reported pothole complaints resolved within standard municipal response

 65

school traffic calming projects implemented

 713,5 m

of new stormwater drainage installed

 9

road safety assessments completed on arterials

 20

traffic signals re-cabled

 3

improvement projects at hazardous locations

# 7.8 A RESILIENT CITY

## STRATEGIC OBJECTIVE 14: A RESILIENT CITY

### PROGRAMME 14.1: CLIMATE CHANGE PROGRAMME

#### *Programme at a glance*

- ✓ Recognise that climate change poses a major risk to Cape Town's environment, communities and economy
- ✓ Urgently act to safeguard the city and its residents
- ✓ Address climate issues to lessen the city's vulnerability to future climate-related disasters
- ✓ Use the opportunity to lead the shift to clean energy and water-sensitive urban planning



The City monitors its Climate Change Strategy and Action Plan by means of an annual progress review. Actions in this plan are closely tied to programmes identified as climate priority programmes in the IDP. In this way, climate action is seamlessly integrated into the City's overarching strategy, covering areas such as energy security, water programmes, public transport, and waste management.

As transparency is key, the City reports annually to the Carbon Disclosure Project, a global climate change reporting platform for cities, and has maintained an A-rating since the inception of the new rating system in 2018. Only 12% of 1 002 globally scored cities achieved this rating in 2022.

In addition, collaboration with networks such as C40 has enabled the City to secure climate finance and technical assistance for projects focusing on green infrastructure for flood risk reduction and renewable energy in municipal buildings. This includes a co-funded project with the GIZ (the German Agency for International Cooperation) through the C40 Climate Finance Facility for the period 2022–2024.

In 2023, steps were taken to integrate climate risk into the City's project management and budget planning. This

involved an assessment of both short-term and long-term capital projects to identify current climate investments and pinpoint areas that need further attention. A guidebook for project managers and a climate budget tagging process were also developed, strengthening the integration of climate response into future service delivery and projects.

#### *Climate change response planning and monitoring initiative*

Cape Town's Climate Change Strategy and Action Plan undergoes active monitoring and evaluation to track ongoing actions as well as monitor various indicators to assess whether the strategy's medium-term goals are being met.

The first annual implementation report was completed in December 2022. It revealed an increase in the number of actions in the implementation phase, signalling a positive trajectory.

At the start of the year in review, two actions had been completed and the number of actions categorised as "In implementation" had increased from 32 to 50, out of a total of 101 actions. By the end of the year, 54 actions had been categorised as "In implementation".

Yet the implementation of the Climate Change Strategy and Action Plan faces several challenges, including budget constraints and limited in-house expertise. The focus has been on cost-neutral or cost-saving measures, or measures with key co-benefits such as energy security or economic growth. As the plan involves a high degree of uncertainty and various intersecting governmental functions, it calls for innovative solutions and increased collaboration. In addition, actions such as energy security, rail rehabilitation and coastal resilience are influenced by complex and evolving legislative frameworks.

In terms of infrastructure, various initiatives integrate climate risk into planning processes. Climate considerations are included in the City's spatial development frameworks at a municipal, district and local level, as well as in the project management system. A resilience assessment has also been conducted for the City's ten-year capital project portfolio to identify areas requiring further intervention.

Finally, a climate budget tagging exercise was conducted for the three-year capital budget, setting the stage for tracking future spending on climate change initiatives.

This comprehensive approach helps the City not only track but also steer its climate change response effectively, with accountability and transparency at its core.

## PROGRAMME 14.2: DISASTER RISK REDUCTION AND RESPONSE PROGRAMME

### *Programme at a glance*

- ✓ Be mindful that Cape Town faced both a major drought and the pandemic in five years, while smaller emergencies like flooding and fire are also frequent
- ✓ Acknowledge that risks are heightened by rapid urbanisation, climate change and increased vulnerability
- ✓ Recognise that disasters affect vulnerable groups most severely, requiring emergency preparedness
- ✓ Commit to strengthening risk assessment and disaster response
- ✓ Collaborate with partners to improve disaster relief effectiveness and reduce disaster risk in informal settlements



Disaster risk reduction in Cape Town is guided by informed development and strategic planning, which, in turn, is underpinned by disaster risk assessments. These assessments identify key hazards and vulnerabilities, and are complemented by the Resilience Strategy, business continuity assessments and enterprise risk registers.

Annual safety campaigns focus on identified risks and vulnerable communities. To boost community resilience, a disaster management volunteer corps is maintained and expanded.

Operational plans, such as the Winter Readiness Task Team's focus on pre-season stormwater cleaning, involve coordinated efforts from various stakeholders to mitigate disaster risks.

2022/23 strategic achievements:



public safety awareness and preparedness sessions held in communities



new disaster risk management volunteers recruited



of stormwater cleaning budget spent

### *Disaster management volunteer enhancement project*

Capital planning for upgrades to volunteer facilities is under way, spread over a ten-year expenditure plan. Training and equipment enhancements are continuously introduced, as determined through dialogue with volunteer groups and assessments by the Disaster Risk Management Centre's volunteer management division. Equipment needs are similarly assessed with support from Disaster Logistics. New volunteer categories, including a Volunteer Auxiliary and Veterans Reserve, are being developed for policy approval in 2023.

## Major incident and disaster response coordination project

The City's Disaster Risk Management Centre (DRMC) responded to 20 major incidents in 2022/23, including fires in informal settlements and severe flooding. Other incidents involved severe weather impacts, water system disruptions, a three-day water shutdown, a nationwide taxi strike, and the declaration of a national state of disaster due to electricity constraints.

The Disaster Coordinating Team (DCT), comprising pre-identified stakeholders, was activated 19 times to align collaborative efforts on events ranging from stage 6 load-shedding to the nationwide taxi strike and the 2023 State of the Nation address. Overall, the DRMC managed 4 811 emergencies, including those requiring DCT activation.

Recently, drone technology has been used to support DCT efforts and enhance emergency decision-making during major incidents. Various early-warning systems have also proven effective in saving lives and properties. These include impact-based forecasting and various media such as radio, internet, email, WhatsApp, social media and loudhailers.

## Enhanced firefighting initiative

Annual public education on fire risk is carried out jointly by DRMC and the Fire and Rescue Service, along with key stakeholders. The Fire Wise programme engaged around 50 000 participants, while the climate change programme reached 200 participants at five schools. More staff are receiving training in incident command and related courses to foster interservice collaboration during emergencies.

The City is investigating the feasibility of implementing a project to make informal structures fire-resistant by applying a product designed for this purpose. The pilot has the potential to drastically reduce the spread of fire in informal settlements.

## Flood alleviation projects

The City's professional service providers had initiated 41 flood alleviation projects, 28 of which were active and in process in the reporting year. Progress on some of these projects included the following:

- ✓ Sir Lowry's Pass river: Section 33 process done; construction under way as per approved programme
- ✓ Lourens river phase 1: Team appointed; construction tender awarded; construction preparation under way

- ✓ Lourens river phase II: Team appointed; physical scale model built; detailed design in process
- ✓ Macassar: Team appointed; feasibility report and stage gate complete
- ✓ Geelsloot pond, Somerset West: Team appointed; concept design done; detailed design 90% complete
- ✓ Manenberg canal: Team appointed; concept design done; detailed design 90% complete
- ✓ Stormwater dams: Team appointed; concept and detailed designs complete; repair licence received for some dams

## MAYORAL PRIORITY PROGRAMME FOR INLAND WATER QUALITY BOOSTED BY FLOOD ALLEVIATION PROJECT PROGRESS

Flood alleviation projects incorporated into the Mayoral Priority Programme for inland water quality have made good progress across directorates. The detailed design of the upgrade to Bayside canal has been completed, and a construction tender has been awarded. The concept designs of Langevlei and Sand river canals are also nearing completion. The project to investigate encroachment on stormwater infrastructure by informal settlements has been completed, and draft reports are currently being reviewed. Floodlines have been physically marked in invaded floodplains and stormwater attenuation ponds as part of the completion of a floodline demarcation pilot.

The DRMC holds annual flood awareness campaigns in vulnerable communities. These campaigns are undertaken in collaboration with various City service departments, such as Human Settlements, Roads Infrastructure Management, and Catchment, Stormwater and River Management. The progress and impact of these initiatives are reported in meetings of the Winter Readiness Task Team and included in both the quarterly and annual reports of the DRMC.

## PROGRAMME 14.3: INTEGRATED URBAN HEALTH PROGRAMME

### *Programme at a glance*

- ✓ Recognise that Covid-19 underscored the impact of inequality and poverty on health
- ✓ Monitor how basic services, housing and cleanliness affect community health
- ✓ Reduce inequities in health outcomes, resulting in a healthier and more economically viable City and less vulnerability to future pandemics
- ✓ Integrate health considerations into long-term City planning



Building on the collaborative and integrated work of the City of Cape Town during the Covid-19 pandemic, the Urban Health Programme aims to create environments to improve health outcomes for all residents. During 2022/23, the main focus of the programme was to establish local and international networks and the research foundation.

The City participated in the prestigious Partnership for Healthy Cities Policy accelerator, which is an annual programme to develop a policy aimed at reducing non-communicable

diseases and includes a grant that can be utilised for the realisation of the policy.

The City will welcome over 200 delegates in March 2024 for the annual Partnership for Healthy Cities conference, which is an exciting opportunity to showcase City approaches to improve residents' health and well-being and also to learn from other cities around the world.

For the next financial year, the focus of the programme will be to complete the urban health monitoring initiative research as outlined below. Parallel to this research, City Health is exploring how its function relates to Urban Health and mapping a strategy to collaboratively promote and achieve health equity within Cape Town.

### *Urban Health monitoring initiative*

The City aims to develop the capacity to monitor Cape Town's urban health based on health, environmental, economic and social data, and to address disparities in health outcomes as well as the environments that create them. To this end, independent expert-led external research has been commissioned and will be completed early 2024.

The aim of this research project is to undertake research and propose a conceptual framework to guide the framing and implementation of an urban health monitoring programme in the City of Cape Town. For the initial research required for the larger programme, the City wishes to establish a firm theoretical foundation through an appropriate conceptual framework, based on evidence from the literature, as well as international examples. This is required for the City to understand how our mandated functions (beyond direct healthcare) can be mobilised in order to impact on health improvement of residents. The framework will form the basis from which CCT can develop approaches, policies, prioritise actions, and develop a monitoring programme for the impact of service delivery on health.



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# 7.9 A MORE SPATIALLY INTEGRATED AND INCLUSIVE CITY

## STRATEGIC OBJECTIVE 15: A MORE SPATIALLY INTEGRATED AND INCLUSIVE CITY

### PROGRAMME 15.1: SPATIAL INTEGRATION AND TRANSFORMATION PROGRAMME

#### *Programme at a glance*

- ✓ Ensure that the Municipal Spatial Development Framework (MSDF) is integrated into the IDP for long-term spatial planning
- ✓ Encourage public-private investment in city layout
- ✓ Balance land use for optimal economic growth and poverty reduction
- ✓ Guide housing, transport and infrastructure, and protect assets
- ✓ Correct spatial inefficiencies from apartheid planning
- ✓ Align district plans to support the City's five-year spatial transformation



Council approved the MSDF and eight district plans in January 2023, outlining priority investment areas for both government and the private sector. These plans translate a citywide vision into neighbourhood guidelines, aiming for sustainable, resilient and equitable urban growth. Implementation plans are included, requiring a phased approach based on prioritised areas.

Four key spatial transformation areas are identified for citywide growth management:

- ✓ Urban inner core (blue)
- ✓ Incremental growth areas (orange)
- ✓ Discouraged growth areas (grey)
- ✓ Natural asset areas (green)

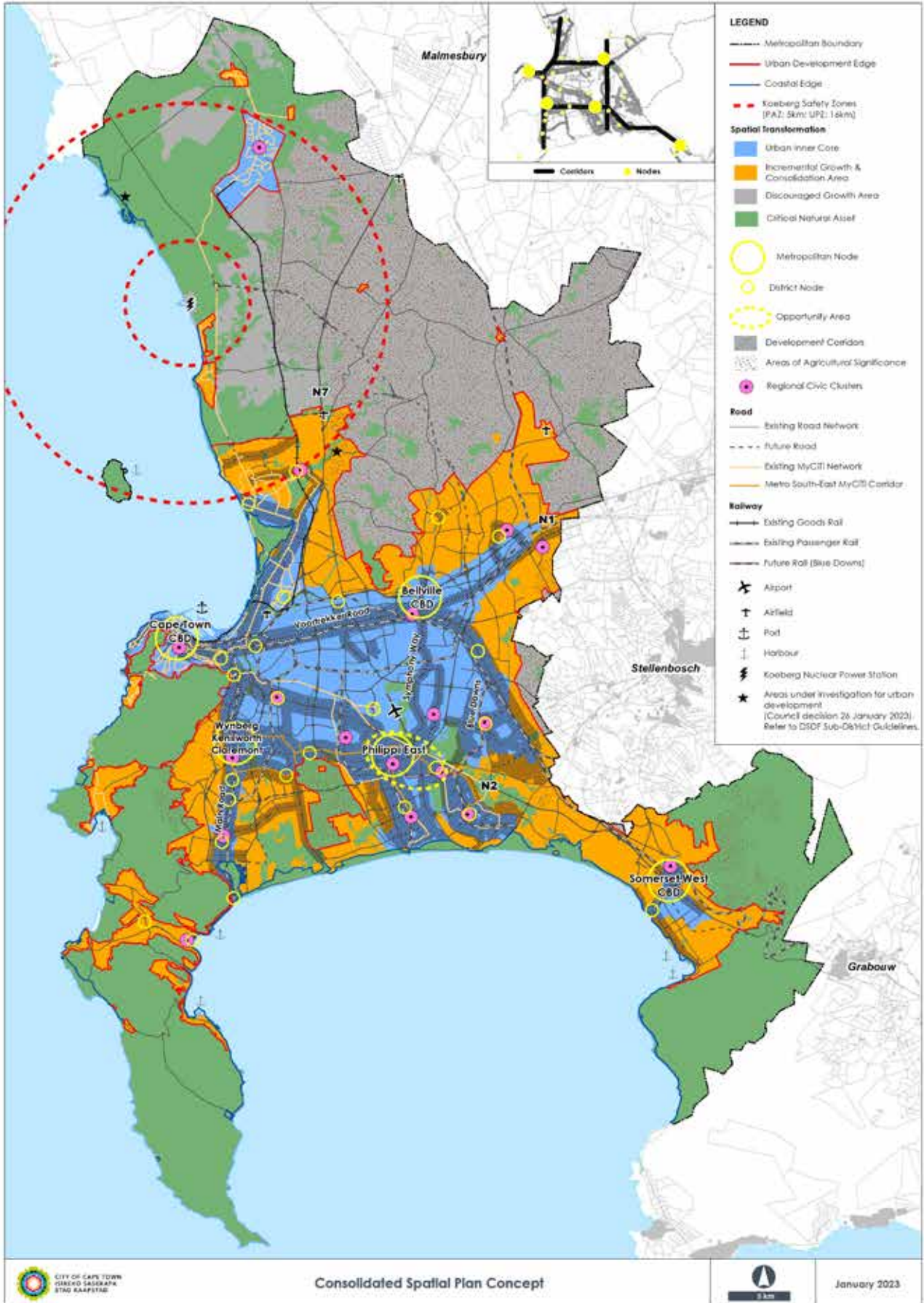
Sub-metro and district levels focus on nodes, corridors and priority local facilitation areas. The latter are development focus areas, urban support focus areas and environmental focus areas, guiding public investment and planning.

The next steps include a review plan for 2023–2027/28 and an update to the land use model in line with the City's long-term plan, which will culminate in a five-year review of the spatial frameworks.

#### *Development enablement mechanisms initiative*

Various potential enablement mechanisms have been identified in the spatial framework implementation plans at district level. The following two were selected to be implemented first because of their potential impact, with additional mechanisms scheduled for further investigation in later years:

- ✓ **INVESTIGATION INTO HERITAGE EXEMPTION AREAS:** The City's Urban Planning and Design Department initiated an investigation into seven areas for the potential simplification of the Heritage Western Cape permitting process for buildings older than 60 years. The goal is to reduce the regulatory burden by eliminating unnecessary planning applications, while protecting heritage-worthy resources. Public participation is currently under way.
- ✓ **INCENTIVE OVERLAY ZONE:** Urban Planning and Design has also finalised the selection of key areas for overlay zoning to influence development in strategic priority areas. Land use guidelines have been converted into Development Management Scheme parameters, and various analyses have been conducted. The next step is to develop an operational protocol and engagement strategy, followed by public participation to ultimately include the zonings in the City's Municipal Planning By-law.



## Spatial strategy monitoring and evaluation project

The framework for spatial strategy monitoring and evaluation is based on the three key strategies of the MSDF and district plans. Its main aim is to guide appropriate development types and locations. Core indicators will monitor changes in the built environment to assess the performance of the spatial plans and refine spatial policy.

The framework will also include datasets to understand spatial trends and adapt policy accordingly. To assess the MSDF's impact on urban change, further analysis involving socioeconomic and environmental factors will be required. This will be included in a proposed five-year evaluation process as part of the monitoring and evaluation framework.

## District spatial development framework implementation initiative

Council approved the City's district spatial development frameworks and their associated implementation plans in January 2023. The Urban Planning and Design Department engaged with various other City service departments to ensure alignment between these plans and infrastructure planning. Proper alignment is crucial for achieving spatial strategy objectives and positively influencing the City's fiscal decisions.

Preliminary investigations found that most district projects aligned with sector plans. However, additional work is needed to resolve prioritisation and consistency issues in departments.

Urban Planning and Design will have annual interactions with sector departments for purposes of monitoring and evaluation. These will include status updates and new proposals for annual infrastructure prioritisation in the district spatial development frameworks, while also incorporating projects from local frameworks. The process will form part of the annual review of the MSDF and the district plans.

## PROGRAMME 15.2: SOCIAL INCLUSION AND WELL-BEING PROGRAMME

### Programme at a glance

- ✓ Boost social inclusion and well-being by understanding community challenges
- ✓ Reduce barriers through public services and support for the poor and vulnerable



### People living on the street initiative

Research undertaken by the Social Development and Early Childhood Development Department in 2018 identified that at least 7 000 people live on the street. This number has been increasing steadily ever since, and there are concentrations in particular areas of the city.

The work of the City's Street People Programme Unit is ultimately aimed at reintegrating those living on the street with the rest of society. This they do through ongoing engagements with the street people community.

In the reporting year, the City assisted 2 246 people living on Cape Town's streets with shelter placement, 112 with family reunification and reintegration into society, 1 124 with referrals to social services, and over 880 with placement in short-term job opportunities via the Expanded Public Works Programme.

Most of this work occurs through the Safe Space transitional shelter project. The Safe Space facilities, two of which are already in operation at Culemborg in central Cape Town and one at Paint City in Bellville, offer dignified shelter, comfort and ablutions, as well as two meals per day. Clients have access to an on-site social worker, various social services such as ID cards and social grant assistance, family reunification services, access to substance and alcohol abuse treatment, skills training, and potential job placement.

The Executive Mayor advocated for the construction of the Ebenezer Safe Space in Green Point, to extend the opportunities of bed space to those willing to accept the hospitality provided in our safe spaces. This hospitality comes with some responsibility to those who accept it as it is a requirement for a personal development plan (PDP) to be developed per resident, with the support of the social workers on site. This enables the operators to tailor developmental

programmes suited to each individual and expands the reach of the City in ensuring that the most vulnerable are cared for with dignity.

The City will spend R230 million over three years to operate and expand the Safe Space transitional shelters beyond central Cape Town and Bellville, with an application for a 300-bed shelter in Ebenezer Road, Green Point, in process.

# 7.10 A CAPABLE AND COLLABORATIVE CITY GOVERNMENT

## FINDINGS OF 2022/23 COMMUNITY SATISFACTION SURVEY

	2022/23 RATING	2021/22 RATING	YEAR-ON-YEAR SHIFT IN SATISFACTION LEVEL
Property valuations	3,2	3,0	↑
Account services and payments	3,4	3,1	↑
Customer relationships	3,1	2,8	↑
Public engagement and communication	3,1	2,8	↑
Facilities management	2,9	2,7	↑

Rating scale: 1 = poor; 2 = fair; 3 = good; 4 = very good; 5 = excellent

### STRATEGIC OBJECTIVE 16: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT

#### PROGRAMME 16.1: OPERATIONAL SUSTAINABILITY PROGRAMME

##### *Programme at a glance*

- ✓ Contain costs and deliver core mandates for long-term financial viability
- ✓ Maintain long-term fiscal health and administrative efficiency

- ✓ Establish robust internal administrative structures and processes
- ✓ Maintain indigent application processes and equitable cross-subsidisation
- ✓ Ensure affordable access to a package of basic services

SDGs

2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



In 2022/23, a standout accomplishment for the City was its credit rating of Ba3/Aa3.za/P-1.za for both long-term and short-term assessments. This stable outlook was affirmed by independent rating agencies, highlighting the City's financial prudence and good governance. Such strong ratings not only reduce the interest on debt, thereby saving public money, but also underpin the City's ambitious ten-year infrastructure investment plans worth R120 billion.

In terms of human resource development, the City spent 125,24% of its budget on the implementation of its Workplace Skills Plan. This strategic allocation aims to uplift City staff through education, training and development, aligning with the administration's broader staffing strategies and individual employee growth plans.

The City demonstrated a high standard of public service, achieving an 87,94% adherence rate to citywide service standards in response to public service requests. These requests were attended to within approved timelines, underscoring the organisation's commitment to serving the residents of Cape Town.

### *Effective supply chain management initiative*

The City pays 99,5% of its supplier invoices within 30 days, supporting consistent cash flow for small- and medium-sized businesses in Cape Town. Effective contract management and transparent tender processes enabled R12,7 billion in spending in the year in review. An electronic invoice submission system has been introduced to further streamline payments.

In the course of the year, a range of new data dashboards were also introduced to improve internal oversight of supply chain management and contracting processes.

## PROGRAMME 16.2: MODERNISED AND ADAPTIVE CITY GOVERNMENT PROGRAMME

### *Programme at a glance*

- ✓ Modernise processes and the workforce for increased resilience and efficiency
- ✓ Promote digital engagement to reduce travel for residents and employees
- ✓ Follow institutional framework for internal transformation and strategic implementation



### *Broadband improvement project*

During the second year of execution, the Broadband Infrastructure Programme (BIP) made very good progress, with no major risks impacting delivery, resulting in a positive close out of the year. The programme delivered on its Council-approved mandate to connect City buildings with fibre infrastructure, using either City fibre or leased connections, based on a lowest-cost model.

The fibre build target was exceeded, as 41 km were completed against a target of 25 km. The reason for exceeding the target was the completion of additional services on demand fibre builds for internal City clients.

The programme is now fully focused on executing the build plans for the third year and has already achieved its quarter 1 targets of fibre kilometres built and City buildings connected.

### *Employee and customer digital enablement project*

The City continues to add several features to its online service request page to make it easier for residents to report faults and log requests for services. Recent enhancements include a new map functionality with a pin drop to plot a fault location, enabling residents to select a location in instances where there is no exact street address, such as along public open spaces and in informal settlements.

As part of digital enablement, the City's mobile application was launched in June 2023. The App brings digital services closer to residents. Functions available on the App include lodging service requests, receiving loadshedding alerts, information on City news, events and service disruptions and contact details for ward councillors.

TO  
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## PROGRAMME 16.3: EVIDENCE-BASED DECISION-MAKING PROGRAMME

### *Programme at a glance*

- ✓ Enhance policy formulation and strategic planning for sound decisions
- ✓ Base all planning and budgeting on evidence for effective service delivery
- ✓ Leverage data analytics and data science for informed decision-making



### *Data project*

The City continues to harness data and digital tools to improve service delivery, streamline operations and make data-informed decisions, all while aligning with long-term planning and legal requirements.

The primary focus in data analysis is on service continuity planning and effective implementation. A case in point is the vulnerability viewer, a tool embedded in the City's decision-making value chain. This viewer helps highlight key areas of concern, such as socioeconomic vulnerabilities and organisational responses, drawing data from various City departments, including human resources.

The past year saw the continued implementation of the City's Data Strategy, which has two major focus areas. The first is electricity asset management, where the aim is to optimise the maintenance of mini-substations through appropriate allocation of budget and human resources. This includes preventative measures and reducing inspection frequencies. The second focus area is to cater for the needs of informal settlements by capturing and storing vital social data for improved service delivery.

In line with international best practice and legal frameworks such as the Spatial Data Infrastructure Act 54 of 2003, digital tools are a cornerstone of the City's operations. Among these, enterprise content management stands out as integral to the

ten-year core application refresh (CAR) programme. CAR aims to create an integrated document and record management system, pushing the City closer to a fully digital management environment.

The City's open data portal serves as a vital resource for public access to municipal information, playing a crucial role in enhancing transparency and understanding of local government processes. The platform collects a wealth of information and data, which is then made freely available in accordance with the Open Data Policy. By opening up data in this way, the City empowers individuals, entrepreneurs and innovators to design new products and solutions, fostering economic growth, attracting investors and creating job opportunities.

For internal operations, the City has a spatial information portal, which is accessible via the intranet. This specialised platform provides staff with crucial spatial data, maps and themes such as air quality. The portal is compliant with geographic information systems policies and standards, enabling more informed and efficient decision-making in the City's various departments.

All these digital platforms showcase the City's commitment to data-driven good governance, both for public transparency and internal effectiveness.

## PROGRAMME 16.4: PROJECT PREPARATION AND DELIVERY PROGRAMME

### *Programme at a glance*

- ✓ Drive organisational reforms for better execution of infrastructure projects
- ✓ Improve service delivery to residents through effective management



Significant improvements have been achieved in the City's project management methodology. The project lifecycle framework has been enhanced with the inclusion of key elements such as infrastructure procurement, statutory stages, and an execution readiness assessment. The project portfolio management system is also being updated to automate the stage-gate process in SAP, which will enable



real-time progress tracking, enhanced collaboration and efficient resource allocation.

To bolster City teams' capabilities, a stage-gate training module is being developed. In addition, the organisation is working on standardising project documentation, refining guidelines and advancing template creation. These initiatives reflect the City's commitment to excellence and efficiency in project management.

## PROGRAMME 16.5: CITY FACILITIES AND PROPERTY OPTIMISATION PROGRAMME

### *Programme at a glance*

- ✓ Tailor public facilities to community and staff needs
- ✓ Boost local investment through facility development
- ✓ Tackle unlawful land occupation with proactive measures
- ✓ Coordinate security for public land protection



The asset leverage project aims to optimise Cape Town's assets for economic benefit. It involves assessing and reorganising the City's immovable assets to improve service delivery and maximise utilisation. Assets not needed for municipal purposes are made available for development.

The City's strategic asset portfolio, which includes historic, recreational, economic and social assets, offers opportunities for financial optimisation and community engagement. Consolidating these assets into a single portfolio enables integration, cross-subsidisation and cohesive development planning. It also fosters social cohesion, access, entrepreneurship, and resilience in the urban environment.

Moreover, the City is actively managing its heritage assets, conducting surveys, restoration projects and conservation management planning for provincial and local heritage sites. Notable sites include the Company's Garden, De Waal park and Mowbray town hall. This comprehensive approach ensures the preservation and promotion of the City's rich heritage.

## PROGRAMME 16.6: ADVOCACY AND INTERGOVERNMENTAL RELATIONS PROGRAMME

### *Programme at a glance*

- ✓ Collaborate with government and enterprises for infrastructure
- ✓ Engage with National Government for service delivery
- ✓ Advocate for more local power in electricity, policing and transport
- ✓ Prioritise international partnerships for the five-year plan



The City undertakes numerous international partnerships aimed at promoting Cape Town as a competitive global hub for economic, social and cultural activity. The intention is to show that the City values international connectivity as a means to facilitate job creation through private sector-led economic growth, balanced by the City's values of cooperation and partnership, and to promote excellence and innovation in local government.

The City has continued to promote and enhance city-to-city relations within this strategic framework for the year under review. For example, the Executive Mayor signed a Sister City Agreement with the City of Nairobi in May 2023, with the aim to promote commercial and governance ties. Furthermore, several in-person and virtual exchanges with cities were facilitated. These interactions and exchanges explored areas of cooperation that include economic and investment promotion, exchanging best practice and learnings related to shared governance challenges, and promoting mutually beneficial relations. The City will continue to prioritise international partnerships.

## PROGRAMME 16.7: COMMUNITY ENGAGEMENT AND PARTNERSHIP PROGRAMME

### *Programme at a glance*

- ✓ Emphasise public engagement for inclusive governance
- ✓ Involve residents in decisions
- ✓ Recognise partner strengths for better results
- ✓ Prioritise resident collaboration to tackle Cape Town's challenges
- ✓ Make Cape Town a city of hope through resident involvement



The City recognises that good ideas can be sourced from various stakeholders, including employees, residents, businesses, non-governmental organisations and civil society. This is why digital engagement with the community has been enhanced through improvements to the City's collaboration platform, which forms part of a suite of digital engagement channels available to the public. The platform promotes engagement on a range of topics, encourages innovative, design-led approaches to service delivery, and enables effective interaction with members of the public on matters that affect them. As such, it is a means for crowdsourcing smart ideas from the community.

In 2022/23, a successful Water and Sanitation Innovation campaign was hosted on the platform.



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# 8. APPENDICES

## 8.1 APPENDIX A: CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Reporting entity's mandate .....	126
Approval of the consolidated annual financial statements .....	126
Report of the Auditor-General of South Africa .....	127
Management comments and corrective action to be instituted .....	134
Report of the Audit and Performance Audit Committee for the year ended 30 June 2023 .....	136
General information .....	140
Financial statements and policies .....	144
Annexures to financial statements .....	281

## 8.2 APPENDIX B–D: ANNUAL PERFORMANCE REPORTS

Appendix B: 2022/23 annual performance management report – City of Cape Town .....	316
Appendix B1: Definitions for 2022/23 annual performance management report – City of Cape Town .....	344
Appendix C: 2022/23 annual performance management report – CTICC .....	354
Appendix C1: Definitions for 2022/23 annual performance management report – CTICC .....	360
Appendix D: 2022/23 annual performance management report – Cape Town Stadium .....	362
Appendix D1: Definitions for 2022/23 annual performance management report – Cape Town Stadium .....	366

## 8.3 OTHER APPENDICES

Appendix E: Abbreviations used in this report .....	371
Appendix F: MFMA Circular 63 appendices .....	372
Appendix G: Annual report of the Municipal Public Accounts Committee to the Council of the City of Cape Town for the year ended 30 June 2023 .....	374
Appendix H: 2022/23 integrated governance report .....	378
Appendix I: B-BBEE compliance performance report .....	409
Appendix J: City of Cape Town cost containment information .....	414
Appendix K: 2022/23 Risk Management Committee annual report .....	419
Appendix L: 2022–2027 Circular 88 outcome scorecard (reference annexure) .....	426
Appendix M: List of references to World Bank International Integrated Reporting Framework .....	472



# 8.1 APPENDIX A: CONSOLIDATED ANNUAL FINANCIAL STATEMENTS



## REPORTING ENTITY'S MANDATE

The City of Cape Town (hereinafter "the City" or "the Entity") is a high-capacity, category A local authority established in terms of section 151 of the Constitution of the Republic of South Africa, 1996.

The principal activities of the City are to:

- provide democratic and accountable government to the local communities;
- ensure sustainable service delivery to communities;
- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

The City's operations are governed by the Local Government: Municipal Structures Act 117 of 1998, the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, and various other acts and regulations.

## APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these consolidated annual financial statements for the year ended 30 June 2023, as set out on pages 144 to 312 in terms of section 126(1) of the Local Government: Municipal Finance Management Act 56 of 2003, and have accordingly signed the statements on behalf of the City.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 39.2.2.1 to these consolidated annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, 1996, read with the Remuneration of Public Office Bearers Act 20 of 1998, and the Minister of Provincial and Local Government's determination in accordance with this act.



Lungelo Mbandazayo  
City Manager

29 September 2023



# REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL OF THE CITY OF CAPE TOWN

## REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### OPINION

1. I have audited the consolidated and separate financial statements of the City of Cape Town as set out on pages 144 to 280, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the City of Cape Town as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (DoRa).

### BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the Auditor-General for the audit of the consolidated and separate financial statements section of my report.
4. I am independent of the City of Cape Town in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### KEY AUDIT MATTERS

6. I have determined that there are no key audit matters to communicate in this audit report.

### EMPHASIS OF MATTERS

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### MATERIAL IMPAIRMENTS

8. As disclosed in note 9 to the financial statements, the municipality provided impairment of receivables from non-exchange transactions of R3,67 billion (2021/22: R3,59 billion) and exchange transactions of R5,20 billion (2021/22: R4,47 billion).
9. As disclosed in note 41.3.2.3 to the financial statements, electricity losses of R586 million (2021/22: R535 million) were incurred, which represents 11,46% (2021/22: 11,14%) of total electricity purchased.

### OTHER MATTERS

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### UNAUDITED DISCLOSURE NOTE

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion on it.

## UNAUDITED SUPPLEMENTARY SCHEDULES

12. The supplementary information set out on pages 281 to 312 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

## RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

13. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the GRAP and the requirements of the MFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the City of Cape Town's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

## RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

15. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.
16. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected development priorities that measure the municipality's performance on its primary mandated functions and which are of significant national, community or public interest.

DEVELOPMENT PRIORITY	PAGE NUMBERS	PURPOSE
BASIC SERVICES	318–325	Objective 2: Improved access to quality and reliable basic services  Objective 4: Well-managed and modernised infrastructure to support economic growth
HOUSING	328–330	Objective 7: Increased supply of affordable, well-located homes  Objective 8: Safer, better-quality homes in informal settlements and backyards over time
TRANSPORT	334–337	Objective 13: Safe and quality roads for pedestrians, cyclists and vehicles

19. I evaluated the reported performance information for the selected development priorities against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
20. I performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives;
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements;
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated;
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents;
  - the reported performance information is presented in the annual performance report in the prescribed manner; and
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
21. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance opinion or conclusion.
22. I did not identify any material findings on the reported performance information for the development priorities of basic services, housing and transport.

## OTHER MATTERS

23. I draw attention to the matters below.

## ACHIEVEMENT OF PLANNED TARGETS

24. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.
25. The municipality plays a key role in delivering services to South Africans. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on 316 to 367.

## BASIC SERVICES

Targets achieved: 62% Budget spent: 97%		
KEY SERVICE DELIVERY INDICATOR NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
Scorecard indicator 4.D – Valid applications for residential water services processed within the response standard (%)	80%	67,32%
Scorecard indicator 4.E – Valid applications for residential sewerage services processed within the response standard (%)	80%	67,32%
Scorecard indicator 4.F – Service requests for non-collection of refuse resolved within three days (%)	96%	37,59%
Scorecard indicator 4.G – Residential electricity service applications finalised within industry standard timeframes (%)	95%	60,65%

## HOUSING

Targets achieved: 50%		
Budget spent: 95%		
KEY SERVICE DELIVERY INDICATOR NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
Scorecard indicator 7.A – Well-located land parcels released to the private sector for affordable housing (number)	4	1
Scorecard indicator 7.C – Formal housing serviced sites provided (number)	2 600	1 638

## MATERIAL MISSTATEMENTS

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic Services. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

## REPORT ON COMPLIANCE WITH LEGISLATION

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

30. I did not identify any material non-compliance with the selected legislative requirements.

## OTHER INFORMATION IN THE ANNUAL REPORT

31. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

32. My opinion on the consolidated and separate financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report, and I do not express an audit opinion or any form of assurance conclusion on it.

33. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

# INTERNAL CONTROL DEFICIENCIES

- 35. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
- 36. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Cape Town  
15 December 2023



# ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The Auditor-General's responsibility for the audit
- The selected legislative requirements for compliance testing

## AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

### PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with selected requirements in key legislation.

### FINANCIAL STATEMENTS

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

### COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

- I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.
- From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

## COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
1. Municipal Finance Management Act 56 of 2003	Section 1 – Paragraph (a), (b) and (d) of the definition: irregular expenditure Section 1 – Definition: service delivery and budget implementation plan Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1) Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a) Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii) Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c) Sections 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii) Sections 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a) Sections 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3) Sections 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
2. MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
3. MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
4. MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(b), 10(1)
5. MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), 29(5)(a)(ii) Regulations 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e) Regulations 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
6. MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
7. Annual Division of Revenue Act	Sections 11(6)(b), 12(5), 16(1), 16(3)
8. Construction Industry Development Board Act 38 of 2000	Section 18(1)
9. Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
10. Municipal Property Rates Act 6 of 2004	Section 3(1)
11. Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
12. Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2) Regulations 11(1), 11(2)

LEGISLATION	SECTIONS OR REGULATIONS
13. Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
14. Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
15. National Water Act 36 of 1998	Section 22(1)(b)
16. National Environmental Management: Waste Act 59 of 2008	Section 20(b)
17. Environment Conservation Act 73 of 1989	Section 20(1)
18. Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a) Sections 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), 57(4B) Sections 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b) Sections 93B(a), 93B(b)
19. MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), Regulations 15(1)(a)(i), 15(1)(a)(ii)
20. MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
21. MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)

## MANAGEMENT COMMENTS AND CORRECTIVE ACTIONS TO BE INSTITUTED

### ON THE MATTERS RAISED IN THE REPORT OF THE AUDITOR- GENERAL

Management comments and corrective action to be instituted on the matters raised in the report of the Auditor-General to the Council on the consolidated annual financial statements of the City of Cape Town for the year ended 30 June 2023 in terms of section 121(4)(e) of the Local Government: Municipal Finance Management Act 56 of 2003.

The audit report is unqualified and contains no issues for which management comments and corrective actions are required. The items listed in the audit report under 'emphasis of matters' are self-explanatory and for the reader's interest only.



A person with a backpack is sitting on a large rock, looking out over a vast cityscape under a cloudy sky. The person is wearing a blue cap, a brown and white long-sleeved shirt, and a black backpack. The city below is densely packed with buildings, and the sky is filled with soft, white clouds. The overall mood is contemplative and expansive.

TO  
GET  
HER.

# REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE TO THE EXECUTIVE MAYOR, MAYORAL COMMITTEE AND COUNCIL OF THE CITY OF CAPE TOWN

## FOR THE YEAR ENDED 30 JUNE 2023

In line with its strategic commitment to be a well-governed city, the City of Cape Town strives for effective oversight and monitoring of its governance structures. Critical to the achievement of this aim is a competent and independent Audit and Performance Audit Committee that is supported by management and councillors. Section 166 of the Local Government: Municipal Finance Management Act 56 of 2003 (hereafter referred to as "MFMA"), as amended, requires every municipality to establish an independent audit committee which must advise the municipal council, political office-bearers, accounting officer and management staff of the municipal entity on matters relating to internal financial controls and internal audits, risk management, and accounting policies, as well as provide advice on the adequacy, reliability and accuracy of financial reporting and information within the City. In addition, the committee advises on performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act, and any other applicable legislation, performance evaluation, major forensic investigations and/or other issues referred to it by the municipality or municipal entity.

The Audit and Performance Audit Committee (hereafter referred to as "the committee" or "APAC") is an independent statutory committee appointed by Council and has adopted a formal Terms of Reference that has been approved by the Executive Mayor together with the members of the Mayoral Committee (hereafter referred to as "Mayco"). The committee has conducted its affairs in compliance with its Terms of Reference and has discharged its responsibilities contained therein.

The committee is pleased to present its report for the financial year ended 30 June 2023.

## AUDIT AND PERFORMANCE AUDIT COMMITTEE MEMBERS AND ATTENDANCE

Below is the summary of the tenure and qualifications, and meeting attendance of the members:

NAME	TENURE		QUALIFICATIONS	MEETING ATTENDANCE
Mr Mervyn Burton	1 Apr 2018 to 31 Mar 2021	1 Apr 2021 to 31 Mar 2024	BCompt (Hons) / CA(SA) / Executive Management Programme (UCT), Corporate Financial Strategy (INSEAD), ILPA (Health Benefits)	8 (100%)
Mr Linda Nene	1 Nov 2018 to 31 Oct 2021	1 Nov 2021 to 31 Oct 2024	BCom (Acc) / Post Graduate Diploma in Management (Corporate Governance) / Master's in International Business / CCSA / General Internal Auditor / Fellow of the IIA SA / CRMA / C Prac (SA) / Risk Management Strategies in the Public Sector	8 (100%)
Dr Prittish Dala	1 Oct 2020 to 30 Sep 2023		PhD (Information Technology) / Master's (Information Technology) / BSc Hons (Computer Science) / Bachelor of Information Technology / CISA / CISM / CISSP / LA ISO / CGEIT / CRISC / CEH / CHFI / CDPSE	7 (88%) 1 apology noted
Ms Sizo Mzizi	1 Oct 2020 to 30 Sep 2023		BCom Hons: Financial Management / BTech: Cost and Management Accounting / Post Graduate Diploma: Corporate Law / Post Graduate Certificate: Corporate Governance / Higher Diploma in Education / ACMA CGMA (CIMA) / ACG (ACGISA)	8 (100%)
Mr Tom Blok	1 Nov 2021 to 31 Oct 2024		BAcc / BAcc (Hons) / BCom (Hons) (Information Systems Management) / CA (SA) / Certified Director / CISA / CIA	8 (100%)

Four ordinary and four special committee meetings were held during the year. The four special meetings were for the following purposes:

- Presentation on the 2021/22 Annual Financial Statements
- Presentation on Internal Audit's Review of the 2021/22 Annual Financial Statements
- 2021/22 Annual Progress Report on Corporate Performance and Performance of the City's Entities
- Tabling of the Cape Metropolitan Transport Fund's Annual Financial Statements
- Presentation on the Draft Integrated Annual Report 2021/22

- In-committee discussion with the Auditor-General of South Africa (hereafter referred to as "AGSA") on the 2021/22 audit outcomes
- 2022/23 Internal Audit Adjustment Audit Plan
- 2023/24 Internal Audit Strategic Operational Audit Plan
- Combined Assurance and Governance Department's 3-Year Operational/Activities Plan for the Period 2023/24 to 2025/26
- Draft Service Delivery and Budget Implementation Plans and Business Plans for Office of the City Manager Departments 2023/24

The meeting agendas are substantial and require diligent preparation by the committee members, and all members participate in the meetings with the highest levels of commitment, integrity, and objectivity. The APAC meetings are attended by:

- Chief Audit Executive and relevant staff;
- Chief: Forensic Services and relevant staff;
- Ombudsman and relevant staff;
- Director: Legal Services and relevant staff;
- Mayco member: Finance;
- City Manager (or a representative of the Office of the City Manager);
- Members of the Executive Management Team (hereafter referred to as "EMT");
- Other officials (as required); and
- Representative from the AGSA.

In addition to the planned meetings, the committee also meets quarterly with the City Manager and biannually with the Executive Mayor.

## AUDIT AND PERFORMANCE AUDIT COMMITTEE RESPONSIBILITIES

The committee is pleased to report that it has fulfilled all its responsibilities arising from the Terms of Reference and the annual work plan for the year under review, including relevant legislative requirements and the requirements of regulation 14 of the Municipal Planning and Performance Management Regulations.

The committee chairperson succinctly, openly, and honestly reported the committee's activities to Mayco and Council on a quarterly basis, with detailed approved minutes also being tabled at the Council meetings.

The committee's Terms of Reference and Internal Audit's Charter were updated and approved by the Executive Mayor and members of the Mayco during the year.

## REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The committee reviewed the annual financial statements prior to submission to the AGSA (the City's external auditors) and discussed it with management. The committee did not have any unresolved matters with the annual financial statements at the time of submission for external audit.

Notwithstanding significant external challenges such as an ailing economy, crime, joblessness, fuel prices, load-shedding, to name a few, during the year under review, the City has exhibited growth and efficacy, effective governance, increased accountability, and transparency resulting in an unqualified audit with no findings for the second year in a row. We wish to congratulate management on an outstanding achievement. This could only have been done through continuous improvement and hard work. The challenge now is for management to maintain this "clean" audit status into the future. This is a real example of good ethical corporate governance at work. We, the APAC, are proud to be part of this team.

## EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The committee considered the work performed by Internal Audit on a quarterly basis and reviewed Internal Audit's annual statement on governance, risk management and internal control processes within the City of Cape Town for the year ended 30 June 2023.

The Internal Audit annual statement concluded that, consistent with the previous year, some improvement is needed in the City. This is an ongoing iterative process of continuous improvement of implementation and maintenance of controls through assurance coverage in order to mitigate risk within tolerance levels with the goal of meeting the City's strategic objectives. The committee is satisfied that while specific control weaknesses were identified, in general the controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are managed and/or objectives are met. There has been an improvement in the overall score; however, there is always room for continuous improvement across all the components of internal control.

The conclusion is based on, and limited to, the available Internal Audit results throughout the 2022/23 financial year which was assessed in terms of the Committee of Sponsoring Organisations of the Treadway Commission (hereafter referred to as "COSO") Internal Control – Integrated Framework. The COSO Internal Control – Integrated Framework was used as the reporting framework against which the audit results were applied to form an

opinion on each of the COSO components, namely the control environment, risk assessment, control activities, information and communication, and monitoring activities. It should be noted that audits conducted differ from year to year, as it is dependent on the City's risk profile identified during the compilation of the annual risk-based audit plan. The impact of this is that the basis of comparatives used may differ as the City's risk profile may change from year to year.

The committee wishes to draw attention to the following areas flowing from the committee's activities during the year and the annual statement on governance, risk management and internal control processes; and, while they were not the general rule, they did occur from time to time in certain areas:

- a. Lack of and/or the inadequacy of existing policies and procedures.
- b. Lack of management review, supervisory checks and oversight.
- c. Lack of supporting evidence/information/records management processes.
- d. Resource/capacity constraints, lack of skills/guidance and training.
- e. Lack of communication/collaboration/coordination.
- f. Lack of monitoring activities.

While all of these areas require the necessary management attention, as the first line of defence in combined assurance, it is emphasised that none are serious enough to negatively impact the audit opinion, nor for the committee to raise a specific concern in this report with the City Manager, Council, the Executive Mayor or Mayo.

## RESOLVING INTERNAL CONTROL FINDINGS

Internal Audit findings on follow-up audits show an 87% reduction in recurring findings, which is above the target of 75%. Follow-up audits are only done once management confirms that the recommendations have been implemented. APAC is, however, concerned that some findings statuses remain as not implemented by management, although there has been an increase since last year (2021/22: 77%). Internal Audit is following up on these with the objective of expediently clearing these matters.

Overall, the committee is satisfied with the quality and timing of management responses to the Internal Audit findings and agreed recommendations, which indicates a well-run city and an Internal Audit Department that is respected and valued. This is a positive reflection on the quality of work produced by Internal Audit and on management's commitment to quality and good governance. APAC is satisfied that management is appropriately balancing its commitment to delivery and enhancement.

## COMBINED ASSURANCE

The responsibility for coordinating combined assurance rests with the director of Combined Assurance and Governance. The implementation and integration of combined assurance remains a work in progress, and the committee regularly reviews developments in this area as part of its annual plan. Effective 2 August 2023, following the approved changes to the top structure of Corporate Services, the position of director of Combined Assurance was re-aligned to report to the executive director of Corporate Services. Consequently, the combined assurance function now reports to the Chief Audit Executive. Combined Assurance, under the auspices of Internal Audit, will ensure better assurance planning, assurance gap analyses and coverage.

## INTERNAL AUDIT EFFECTIVENESS

The Internal Audit activities are carried out by an in-house department operating in terms of an Internal Audit Charter and an annually approved audit plan. There has been no compromise of the independence or objectivity of the function during the year under review. The Chief Audit Executive (CAE) reports functionally to the committee and administratively to the City Manager.

An annual internal quality assessment of Internal Audit was completed for the year under review. The result is that the Internal Audit activity "Generally conforms" to the Institute of Internal Auditors' Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, Standards and Code of Ethics, and conforms to its internal audit activity policies, procedures, practices and applicable legislative and regulatory requirements. Although this is the highest standard of achievement offered, recommendations for continuous improvement were received during the assessment and will be assessed and implemented as appropriate. The APAC monitors progress against the implementation plan at the quarterly meetings.

## PERFORMANCE MANAGEMENT

The committee reviews the quarterly reports submitted by Internal Audit and the Organisational Performance Management Department (as required by regulation 14 of the Municipal Planning and Performance Management Regulations). In reviewing the performance management system, the committee focuses on economy, efficiency, effectiveness and the impact of key performance indicators and performance targets set by the municipality, as well as the risk to the City if targets are not attained. There were matters raised by the AGSA; and even though they are not material

enough to affect the current year's "clean" audit status, there is a risk that this could have an impact in the future. Therefore, this requires a concerted effort from management in conjunction with continuous discussions with the AGSA and National Treasury to map a clear path going forward in order to mitigate any risk of non-compliance in performance reporting in the future. Management has already taken up the challenge and is forging ahead.

## RISK MANAGEMENT

The APAC chairperson (or nominee) regularly attends the Riskco meetings.

The committee appreciates the focus on emerging risks, especially the Citywide initiatives that continue to embed risk management processes in the City. Riskco assists in promoting the understanding of the value of risk management through the strategic "tone from the top" ethos, ongoing risk evaluation, and efforts to ensure cost-effective mitigation activities.

## GOVERNANCE AND ETHICS

The committee continues to monitor key Citywide governance interventions required, such as the communication and monitoring of the Ethics Branch, Office of the Ombudsman, and compliance reporting, and receives quarterly feedback on forensic, legal, financial misconduct, ombudsman case management progress and ethics cases. These initiatives are continuously evolving and maturing. Ethics is also a key focus of the City and growing awareness and understanding of the ethics message were evident in the year under review.

On a quarterly basis the committee receives feedback on the activities of the Municipal Public Accounts Committee. The committee annually submits a report to the Municipal Public Accounts Committee as part of the annual report oversight process.

## DECLARATION OF INTERESTS' PROCESS: MONITORING AND REPORTING OF CITY EMPLOYEES' SUBMISSIONS

The Declaration of Interest submissions are monitored and reported on by the Ethics Branch, working in cooperation with the line departments and EMT by means of monthly reporting via the City Manager Dashboard process, and quarterly reporting to EMT, where the completion status, as well as areas of prioritisation that required EMT attention, was highlighted. This is also a key operating indicator on all department and directorate scorecards. The APAC monitors the submission status of the City employees' declarations of interest through biannual reporting from the Ethics Branch. The completion status for the 2022/23 financial year as at 30 June 2023 was 99,8% for level T14 and above. The number of Supply Chain Management (hereafter referred to as "SCM") conflicted employees identified was addressed and reduced to zero by year-end. The SCM conflicted list is provided by the SCM Department. This list is continuously monitored and followed up by the Ethics Branch in order to minimise/negate any AGSA findings at year-end.

## MUNICIPAL ENTITIES

The committee plays an oversight and advisory role for the municipal entities, with the minutes of the respective audit committees being reviewed at the APAC meetings. Two members of the APAC and the director of Combined Assurance and Governance have been appointed to the audit committees of both entities.

## CONCLUSION

The committee is pleased with the continuing progress made by the City in improving and progressing in the areas outlined in this report.

The committee fully supports the City in implementing its vision and strategies, giving due consideration to the economic and social challenges facing the City and its residents. APAC is cognisant that sustainable service delivery in a vibrant, globally competitive and caring city must be underpinned by good governance and sound administration.

The committee wishes to express its appreciation to the management of the City, the AGSA and all the internal assurance providers, who assist the committee in performing its functions effectively and efficiently.



**MERVYN BURTON**

*Chairperson: Audit and Performance Audit Committee*

Date: 15 December 2023

# GENERAL INFORMATION

AS AT 30 JUNE 2023

BANKERS	AUDITORS	REGISTERED OFFICE
<p>Nedbank Limited 135 Rivonia Campus 135 Rivonia Road Sandown Sandton 2196</p> <p>PO Box 1144 Johannesburg 2000</p>	<p>The Auditor-General of South Africa No 19 Park Lane Building Park Lane Century City 7441</p> <p>Private Bag X1 Chempet 7442</p>	<p>City of Cape Town 12 Hertzog Boulevard Cape Town 8001</p> <p>PO Box 655 Cape Town 8000</p>



# COUNCIL MEMBERS OF THE CITY OF CAPE TOWN

## ALDERMEN/ALDERWOMEN

Andrews, EP	Justus, CR	Smith, J
Arendse, R	Kempthorne, ML	Sotashe, X
Basson, AJG	Limberg, XT	Thompson, TB
Brynard, CA	Linde, E	Twigg, GG
Chapple, PH	Moodley, S	Uys, TA
Fourie, GD	Neilson, ID	Van der Merwe, JFH
Hill-Lewis, G	Nieuwoudt, MJ	Van der Rheede, A
Jacobs, BM	Pringle, SB	Vos, J
Jaftha, WD	Purchase, FA	Watkins, BRW
Jordaan, C	Rossouw, SJ	

## COUNCILLORS

Abbass, S	Cassiem, MA	Grose, NE
Achmat, MF	Cerfontein, CS	Gungxe, LA
Adams, A	Chitha, MN	Gxasheka, KW
Adams, F	Christians, DJ	Hansen, B
Adams, R	Christians, M	Harris, W
Adams, Y	Christie, K	Haskin, GCR
Addinall, AS	Clarke, BR	Helfrich, PG
Adonis, M	Classen, GJ	Hendricks, A
Adonis, N	Cottee, DG	Hendricks, P
Ah-Sing, FK	Cupido, J	Heynes, PC
Akim, WJ	Dambuza, M	Higham, F
Anstey, E	Davids, A	Jackson, T
August, SF	Davids, R	Jacobs, DG
Badela, DE	De Beer, AC	Jacobs, MR
Badroodien, ZA	De Vos, D	Jacobson, PS
Barends, UM	De Vos, PW	Janse van Rensburg, C
Benadie, AM	Diniso, X	Jansen, AJ
Beneke, R	Duka, SS	Jansen, EE
Benge, L	East, PA	Joachims, GV
Bodin, K	Elyas, AZMI	Joseph, M
Booi, M	Esau, CJ	Jowell, N
Booi, PN	Francke, P	Kama, K
Booyesen, S	Franklin, C	Kleinschmidt, MRH
Botha-Rossouw, FR	Frenchman, S	Kleinsmith, ME
Botya, NA	Gabuza, A	Kobeni, C
Bresler, R	Gadeni, M	Kopman, NF
Cameron, R	Gordon, GE	Kuhl, AE
Cannon, R	Gqada, T	Kwebulana, AV
Carls, KR	Griesel, AJ	Langenhoven, E

# COUNCIL MEMBERS OF THE CITY OF CAPE TOWN (CONTINUED)

## COUNCILLORS (CONTINUED)

Lansdowne, A	Mqina, LM	Sophazi, Z
Lasiti, U	Mvinjelwa, NC	Southgate, KG
Liell-Cock, SP	Mzolisa, PS	Stacey, S
Lightburn, AG	Ndamane, S	Steenberg, CJ
Little, S	Nelson, D	Stevens, JN
Lombard, FP	Ngcombolo, B	Stuurman, N
Lombi, N	Ngubelanga, D	Sukers, NRE
Louw, AC	Nikelo, M	Sulelo, Z
Mabungani, M	Nodliwa, S	Swart, PS
Madikane, EM	Nqavashe, ML	Tagodien, R
Majingo, BM	Ntshuntshe, L	Taliep, S
Makasi, N	Ntshweza, NA	Tause, PP
Makuwa, MS	Ntsodo, A	Temlett, M
Malgas, GD	Nyamakazi, T	Terblanche, HP
Manuel, M	Paige, GD	Tetani, A
Maqungwana, BB	Payiya, BL	Thompson, SC
Marais, GP	Peck, GC	Timm, G
Mare, K	Peter, XG	Tyandela, NV
Marman, PI	Petersen, MJ	Van der Merwe, B
Marr, MJ	Phakade, L	Van der Ross, PE
Martin, L	Philander, S	Van Reenen, B
Martlow, J	Pimpi, TI	Van Zyl, A
Masiu, DZ	Plaatjies, A	Viljoen, R
Matanzima, V	Pophaim, CJ	Visagie, DA
Matutu, N	Potts, A	Visser, CL
Max, LH	Punt, CB	Visser, J
Maxiti, P	Qoba, ZL	Walker, FC
Mazwi, L	Quintas, RM	Wannenburgh, CMK
Mbandezi, S	Raise, MH	Williams, N
Mbiza, LN	Rigby, S	Witbooi, JJ
McFarlane, N	Salie, S	Woodman, J
McKenzie, AP	Satarien, N	Yeko, B
McMahon, IP	Sauls, FA	Zumana, S
Mei, B	Sawant, E	
Mills, JS	Sibunzi, MM	
Mjuza, TM	Siebritz, CC	
Mkutswana, MA	Simangweni, L	
Mohamed, Y	Solomon, J	
Mokhathi, T	Somdaka, L	
Moses, AC	Sono, NP	
Mpengezi, T	Sonyoka, LP	



In the course of the reporting period, the following councillors ceased to be political office-bearers:

Carstens, H	15/07/2022	Sampson, MJ	09/03/2023
Ntamo, GF	18/08/2022	Manuel, M	03/04/2023
Jacobs, HW	11/11/2022	Rheeder, N	03/04/2023
Le Goff, TA	14/11/2022	Adams, A	01/05/2023
Cassiem, A	31/01/2023	Makamba-Botya, NA	07/06/2023
Markgraff, SG	24/02/2023	Kay, AE	22/06/2023
Richards, A	03/03/2023		



# FINANCIAL STATEMENTS AND POLICIES

## SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

The Entity's significant accounting policies, which are in all material respects consistent with those applied in the previous year, unless specified otherwise, are set out below.

### BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP), standards issued by the Accounting Standards Board (ASB) and approved by the Minister of Finance as effective in accordance with section 122(3) of the Local Government: Municipal Finance Management Act 56 of 2003.

These financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost convention as the basis of measurement, except where indicated otherwise.

The Entity has adopted Directive 5, as issued by the ASB, which outlines the GRAP reporting framework hierarchy. In the absence of an issued and effective standard of GRAP, accounting policies for material transactions, events or conditions have been developed using the principles set out in the "Standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors", read with Directive 5.

In preparing the financial statements, management has used assessments and estimates that are based on the best information available at the time of preparation.

### GOING CONCERN ASSUMPTION

These consolidated financial statements have been prepared based on a going concern basis.

### OFFSETTING

Assets and liabilities as well as revenue and expenses are offset and the net amount is reported in the financial statements when there is a legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, comparative amounts are restated and the nature and reason for such reclassification are disclosed.

Where accounting errors have been identified and/or a change in accounting policy has been made in the current year, the correction is made retrospectively as far as is practicable, and the comparatives are restated accordingly.

### FOREIGN-CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the ruling exchange rate on the date of the transaction. Trade creditors denominated in foreign currency are reported at the statement of financial position date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period during which they arise.

### USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the process of applying the Entity's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

## USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

### GOING CONCERN

Included in management's assessment of the City's going concern status are:

- key financial metrics;
- the impact of the Covid-19 pandemic;
- the general economic conditions and forecast;
- approved medium-term budgets; and
- the City's dependency on grants from National Government and the Western Cape Provincial Government (hereinafter "Province").

The year in review was the first full year where both the Cape Town Stadium (RF) SOC Ltd (CTS) and the Cape Town International Convention Centre (RF) SOC Ltd (CTICC) operated without any Covid-19-related restrictions. This resulted in significant improvements in business activities for both entities.

The improvement in business levels and profitability in the year under review for the CTICC allowed the company to generate its own cash resources, enabling the funding of operations and capital and to operate as a going concern. The business levels of the CTS, in turn, improved as it was the first full year in which CTS implemented its commercial strategy and also secured an anchor tenant. Furthermore, the operations of CTS are funded by the City in terms of a service delivery agreement based on its approved budget which contributes to the operational sustainability of CTS.

Based on all of the above, management has concluded that the going concern assumption used in the compiling of its financial statements is appropriate.

### MATERIALITY

Materiality is judged according to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence users' decisions based on these audited annual financial statements.

In preparing the audited annual financial statements, materiality has been considered in:

- deciding what to report in the audited annual financial statements and how to present it; and
- assessing the effect of omissions, misstatements and errors on the audited annual financial statements.

In assessing whether an item, transaction or event is material, specific thresholds for specific items, transactions and events, or aggregations thereof, have been developed. These thresholds are used to make decisions about the reporting of information (i.e. how to recognise, measure, present and disclose items, transactions and events) and serve as a margin of error or framework within which to assess misstatements and errors.

### THRESHOLD FOR BUDGET INFORMATION

Variances between budget and actual amounts are regarded as material when the variance is:

- 10% or greater in the statement of financial position, the statement of financial performance, and the cash flow statement; and
- 5% or greater in capital expenditure.

All material differences are explained in note 38 to these consolidated financial statements.

# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

### MATERIALITY (CONTINUED)

#### QUALITATIVE THRESHOLDS

The nature of an item, transaction or event is determined by its inherent characteristics or the circumstances in which it was undertaken. Items, transactions or events may be considered material:

- if they relate to legal or regulatory requirements, e.g. specific disclosures required by legislation, restrictions on certain transactions or activities imposed by legislation, or breaches of legislation;
- if they constitute related-party transactions;
- depending on their regularity or frequency, e.g. a once-off transfer of funds to another entity in terms of legislation, or a ministerial directive;
- if they result in the reversal of a trend, e.g. changing a surplus to a deficit, or vice versa;
- if they are likely to result in a change in accounting policy;
- if they involve the commencement of a new function, or the reduction or discontinuation of an existing one;
- depending on the degree of estimation or judgement required to determine their value; and
- if they affect the going concern assumption of the City.

The relative importance of these qualitative factors in determining materiality is a matter of professional judgement.

#### QUANTITATIVE THRESHOLDS

Quantitative materiality refers to the monetary value of items, transactions or events that are likely to influence users' decisions.

The quantitative materiality per transaction class for the year is as follows:

CLASS OF TRANSACTIONS	LEVEL OF MATERIALITY (R'000)
Revenue	262 344
Expenditure	256 189
Non-current assets	316 622
Current assets	81 223
Non-current liabilities	68 950
Current liabilities	47 165

The materiality calculation is based on the final approved 2022/23 adjustments budget of June 2023 for all classes of transactions.

Based on professional judgement, the overall quantitative value of materiality for the 2022/23 financial year is set at R250 million.

## USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

### PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The cost of defined-benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

### IMPAIRMENT OF RECEIVABLES

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. Groups of debtors with similar credit risk characteristics are assessed for impairment, considering factors such as socioeconomic conditions, type of customer, the default period and service-specific payment histories.

The concentration of credit risk is limited, as the customer base is large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

### INVENTORY

The City regards water as inventory at the point where it enters the City's purification network. However, raw water in dams and aquifers is not regarded as inventory, as it is not under the City's control. Control is demonstrated by an entity's ability to access and regulate the benefits of an asset. In terms of these natural resources, the City does not have control under all circumstances.

### IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

The calculation in respect of the impairment of property, plant and equipment (PPE) is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.

As part of the impairment calculation of the CTICC building and asset under construction, management has estimated the recoverable amount by calculating the value-in-use of the cash-generating unit to which the asset belongs. In arriving at the value-in-use, management has had to make significant assumptions regarding expected future cash flows and discount rates, which are disclosed in note 2.

### SIGNIFICANT DELAYS IN ASSETS UNDER CONSTRUCTION

The Entity regards delays in assets under construction of more than one year as significant.

### RESIDUAL VALUE OF PROPERTY, PLANT AND EQUIPMENT

Management has determined that none of its infrastructural assets have any active market value, and the value of the amount at the end of their useful lives would therefore be insignificant.

### USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets are also based on management's judgement on whether the assets will be sold, held indefinitely or used to the end of their useful lives, and what their condition will be at that time.

### CAPITAL COMMITMENTS APPROVED AND CONTRACTED FOR CAPITAL EXPENDITURE

Capital commitments represent future capital expenditure, exclusive of VAT. The City is obligated to spend these amounts due to signed contracts with suppliers.

# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

### MATERIAL LOSSES

Material losses are losses that occur due to factors other than normal production, and are regarded as material in accordance with the materiality thresholds above.

Losses that occur due to normal production are classified as production costs and factored into the City's tariffs. They, therefore, do not constitute material losses. If actual production losses exceed the budgeted production losses factored into the tariff, the difference is considered a material loss.

### PROVISIONS AND CONTINGENT LIABILITIES

Management's judgement is required in recognising and measuring provisions, as well as measuring contingent liabilities, as set out in notes 14 and 35 respectively. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted where the effect of discounting is material.

Provision for the rehabilitation of landfill sites is determined based on the advice and judgement of qualified engineers. The valuation of the rehabilitation and post-monitoring costs involves making assumptions about discount rates, expected useful lives of the landfill sites, rehabilitation and post-monitoring periods, and future inflation increases. Due to the long-term nature of these obligations, such estimates are subject to significant uncertainty.

### CASH AND NON-CASH-GENERATING ASSETS

The City is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff, although net positive cash inflows are achieved from electricity service charges. The City has acquired an investment in an associate over which it has significant influence, with the strategic intent of promoting economic growth and job creation.

Management has determined that only the City's electricity assets and its investment in the associate meet the definition of cash-generating assets, and that the GRAP standard for the impairment of non-cash-generating assets will therefore apply to all other City assets.

The CTICC considers cash-generating assets to be those assets used to host events, being the company's core revenue stream.

### PRINCIPAL-AGENT ARRANGEMENTS

Management's judgement is required in determining whether it has entered into a principal-agent arrangement, as set out in note 36. A principal-agent arrangement results from a binding arrangement in which one entity (an agent) undertakes transactions with third parties on behalf and for the benefit of another entity (the principal).

The assessment of whether an entity is a principal or an agent requires the entity to evaluate the rights and obligations of all parties to each binding arrangement so as to establish whether the transactions it undertakes with third parties are for the benefit of another entity or for its own.

## USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

### SEGMENT REPORTING

In applying GRAP 18 segment reporting, management makes judgements with regard to the identification of reportable segments, as well as regarding what constitutes segment results. This enables users to evaluate the nature and financial effects of the activities in which the segment engages, and the economic environments in which it operates.

### CONTROLLED ENTITIES

Management's judgement is required to determine whether it controls another entity. An entity controls another entity if, and only if, the entity has:

- power over the other entity;
- exposure, or rights, to variable benefits from its involvement with the other entity; and
- the ability to use its power over the other entity to affect the nature or amount of the benefits from its involvement with such other entity.

Power over the CTICC and CTS is obtained through voting rights based on the City's shares in these two entities. The existence and effect of potential voting rights that are currently exercisable or convertible without restriction are considered when assessing whether the City has power over these entities.

The City is exposed, or has rights, to variable benefits from its involvement with the CTICC and CTS by way of increases or decreases in the value of its investment in these entities, and in return on investment, such as dividends or other distributions.

The City's voting rights enable it to affect the nature and amount of its benefits through voting at shareholder meetings; and, therefore, the City controls the CTICC and CTS.

Management has concluded that the proportion of ownership interests held in the controlled entities equals the voting rights held by the City. None of the controlled entities have non-controlling interests that are material to the City.

## ADOPTION OF NEW AND REVISED STANDARDS

### STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

There are no new GRAP standards that are applicable and effective in the current year.

### STANDARDS, GUIDELINES AND INTERPRETATIONS ADOPTED EARLY

The Entity has not early-adopted any GRAP standard that is not yet effective. The following guidelines are not yet effective or are not authoritative, but have been utilised to formulate the Entity's accounting policies since 2018/19:

- Guideline on Accounting for Landfill Sites
- Guideline on the Application of Materiality in Financial Statements

### STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

At the date of submission of these financial statements, the following approved standards of GRAP and amendments to the standards of GRAP had been issued, but were not yet effective.

### ANNUAL PERIODS COMMENCING ON OR AFTER 1 APRIL 2023

- Amendments to GRAP 1 on Presentation of Financial Statements
- Improvements to Standards of GRAP (2021)
- IGRAP 21 on the Effect of Past Decisions on Materiality



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# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

### STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE (CONTINUED)

#### ANNUAL PERIODS COMMENCING ON OR AFTER 1 APRIL 2023 (CONTINUED)

The purpose of the amendments and improvements to the standards of GRAP is to better align with recent international developments. The amendments ensure the availability of optimal information on which to base decisions about financial assets and their recoverability, and also result in more transparent information on financial liabilities.

IGRAP 21 explains the implications of adopting accounting policies for material items based on the standards of GRAP, as well as applying alternative accounting treatments for immaterial items. It establishes the principle that adopting materiality and applying alternative accounting treatments are not in themselves errors or departures from the standards of GRAP. It further clarifies instances where errors may occur in applying materiality, and the circumstances that may lead to such errors.

#### ANNUAL PERIODS COMMENCING ON OR AFTER 1 APRIL 2025

##### **GRAP 104 on Financial Instruments**

GRAP 104 was revised in 2021 so as to align with IPSAS 41 on Financial Instruments and IFRS 9 on Financial Instruments. IFRS 9 has substantially revised the way in which financial instruments are classified, how amortised cost is determined, and how and when financial assets are assessed for impairment, and has also overhauled the requirements for hedge accounting. The transitional provisions require adoption of the revised GRAP 104 standard in its entirety. Partial or incremental adoption is not permitted.

Management has considered all of the abovementioned GRAP standards issued, but not yet effective, and does not anticipate the adoption of these standards to have a significant impact on the City's financial position, financial performance or cash flows.

## CONSOLIDATION

The Entity's financial statements incorporate the financial statements of the controlling entity (City of Cape Town) and both its controlled entities (CTICC and CTS), presented as a single economic entity, and consolidated at the same reporting date as the parent entity.

## CONTROLLED ENTITIES

Controlled entities are entities controlled by the Entity. Controlled entities are consolidated from the date that effective control is transferred to the Entity, and are no longer consolidated from the date that effective control ceases.

All intra-economic-entity transactions, balances and unrealised gains and losses are eliminated as part of the consolidated process. The interests of non-controlling shareholders in the consolidated equity and results of the economic entity are shown separately in the consolidated statement of financial position and statement of financial performance respectively. Losses applicable to the non-controlling interest in a controlled entity are allocated to the non-controlling interest, even if doing so causes the non-controlling interest to have a deficit balance. Investments in controlled entities are stated at cost less impairment losses in the separate financial statements of the Entity, with intra-economic-entity investments eliminated on consolidation.

## CONSOLIDATION (CONTINUED)

### INVESTMENT IN ASSOCIATE

An associate is an entity over which the City has significant influence and that is neither a controlled entity nor an interest in a joint venture. Investment in an associate is accounted for by using the equity method from the date on which the entity in which the investment is made becomes an associate of the City. The investment is initially recognised at cost and is then increased or decreased to recognise the City's share of the accumulated surplus or deficit generated subsequent to acquisition.

After application of the equity method, the City determines whether it is necessary to recognise any additional impairment loss in respect of the City's net investment in an associate.

### SIGNIFICANT INFLUENCE

Management's judgement is required to determine whether the City holds significant influence over another entity. "Significant influence" is the power to participate in the financial and operating policy decisions of the investee, yet without having control or joint control over those policies.

There is a rebuttable presumption that a shareholding in excess of 20%, but less than 50%, gives rise to significant influence. Management has concluded that the proportion of ownership interest held in the associate equals the voting rights held by the City.

### IMPAIRMENT OF INVESTMENT IN ASSOCIATE

At each reporting date, the Entity assesses whether there is any indication that the investment in the associate may be impaired. This assessment is based on the difference between the carrying amount of the investment and the recoverable amount. The recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. The value-in-use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset as well as from its disposal at the end of its useful life.

## HOUSING FUNDS

The housing development fund was established in terms of the Housing Act 107 of 1997.

### HOUSING DEVELOPMENT FUND

Sections 15(5) and 16 of the Housing Act, which took effect on 1 April 1998, required the Entity to maintain a separate housing operating account. This legislated separate operating account is known as the housing development fund and is fully cash-backed.

In addition, section 14(4)(d)(iii)(aa), read with, inter alia, section 16(2) of the Housing Act, also requires that the net proceeds of any letting, sale or alienation of property previously financed from government housing funds be paid into a separate operating account, and be utilised by the Entity for housing development in accordance with the National Housing Policy.

# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## HOUSING FUNDS (CONTINUED)

### UNREALISED HOUSING PROCEEDS

In order to comply with sections 14(4)(d)(i) and (iii) of the Housing Act, in terms of which all net proceeds need to be paid into the housing development fund, it was necessary to create a holding account that represents the unrealised funds due by long-term housing selling developments and sponsored loan debtors. This account is reduced when debtors are billed for their current loan repayments.

## RESERVES

The Entity creates and maintains reserves in terms of specific requirements.

### CAPITAL REPLACEMENT RESERVE (CRR)

In order to finance the acquisition of property, plant and equipment and other assets from internal sources, cash amounts are transferred from the accumulated surplus to the CRR.

The following guidelines are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised.
- The CRR may only be utilised for purchasing items of property, plant and equipment, and not for their maintenance, unless otherwise directed by Council.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR, and the accumulated surplus is credited by a corresponding amount.

## INSURANCE RESERVES

### SELF-INSURANCE RESERVE

A general insurance reserve has been established and covers claims that may occur, subject to reinsurance where deemed necessary. Premiums are charged to the respective services, taking into account the claims history and replacement value of the insured assets.

Reinsurance premiums paid to external reinsurers are regarded as an expense, and are shown as such in the statement of financial performance. The net surplus/deficit on the insurance operating account is transferred to or from the insurance reserve via the statement of changes in net assets.

A viability valuation report is obtained each year to assess the adequacy of the insurance reserve at year-end.

### COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES (COID) RESERVE

The City has been exempted from making contributions to the Compensation Commissioner for occupational injuries and diseases in terms of section 84 of the COID Act 130 of 1993.

The certificate of exemption issued by the Commissioner and prescribed by the COID Act requires the City to deposit cash and/or securities with the Commissioner, the market values of which in aggregate shall not be less than the capitalised value of the continuing liability of the City as at 31 December of each year.

The continuing liability is that of annual pensions, the capitalised value of which is determined on the basis of an actuarial determination prescribed by the Commissioner. A COID reserve has been established to equate to the value of the continuing liability. The market value of the securities is determined annually by the Commissioner, and the Entity is required to meet any shortfall in the aggregate value of the securities as at 31 December. Monthly pensions are funded by transferring funds from the reserve to the expense account in the statement of financial performance.

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses. Where PPE is acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Subsequent expenditure relating to PPE is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The Entity maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain.

The gain or loss arising from the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying value, and is recognised in the statement of financial performance.

### DEPRECIATION RATES

Depreciation is calculated at cost, using the straight-line method, over the estimated useful lives of the assets. The residual value, depreciation method and useful life, if significant, are reassessed annually. If there is any indication of changes, the effect of such changes in estimate is accounted for on a prospective basis. The depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
<b>Infrastructure</b>		<b>Other</b>	
Roads and paving	10-50	Buildings	2-50
Electricity	15-50	Other vehicles	4-19
Water	15-50	Office equipment	2-16
Sewerage	15-50	Watercraft	5
Telecommunications	10-30	Bins and containers	5
		Landfill sites	8-51
<b>Housing</b>	30	Specialised vehicles	10-20
		Library books	1
<b>Community</b>		Furniture and fittings	2-15
Community and recreational facilities	20-50	Computer equipment	1-9
Security	5-10	Plant and equipment	2-19
		Living resources	5-12
		Service concession	3-50

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its use as intended by management. Freehold land is not depreciable, as it has an indefinite useful life.

A living resource is a living animal that the City uses to deliver a mandated service.

# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## INVESTMENT PROPERTIES

Investment properties are immovable land and/or buildings that are held to earn rental income and/or for capital appreciation. Investment property excludes owner-occupied property that is used in the production or supply of goods or services, or for administrative purposes, or property held to provide a social service.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Where investment properties are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Investment property other than vacant land is depreciated on the straight-line basis over the useful lives of the assets, estimated at 20 to 50 years.

An investment property is derecognised upon disposal or when it is permanently withdrawn from use, and when no future economic benefits or service potential are expected from its disposal. Any gain or loss arising from the retirement or disposal of investment property is included in the surplus or deficit in the period of such retirement or disposal.

Direct income and expenses arising from investment property are disclosed as part of general income and expenses, and are thus not disclosed separately, as they are not material.

## HERITAGE ASSETS

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

Heritage assets are stated at cost less accumulated impairment losses. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition. Costs incurred to enhance or restore the heritage asset to preserve its indefinite useful life are capitalised as incurred. Day-to-day costs incurred to maintain a heritage asset are expensed.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset, and transfers from heritage assets are only made when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred, at the date of transfer.

The gain or loss arising from the disposal or retirement of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying value, and is recognised in the statement of financial performance. Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

## INTANGIBLE ASSETS

An intangible asset is defined as an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes.

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where intangible assets are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

The Entity recognises computer development software costs as intangible assets if the costs are clearly associated with an identifiable and unique system controlled by the Entity, and have a probable benefit exceeding one year. Direct costs include software development, employee costs and an appropriate portion of relevant overheads.

## INTANGIBLE ASSETS (CONTINUED)

### AMORTISATION RATES

Intangible assets are amortised on the straight-line basis over the useful lives of the assets. The residual value, amortisation method and useful life, if significant, are reassessed annually. If there is any indication of changes, the effect of such change in estimate is accounted for on a prospective basis.

The amortised rates are based on the following estimated useful lives:

	YEARS
Acquisition of rights	8
Computer software	5-10

### IMPAIRMENT OF NON-CASH-GENERATING ASSETS

At each reporting date, the Entity assesses whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the recoverable service amount of the asset is estimated to determine the extent of the impairment loss (if any).

Intangible assets not yet available for use are tested for impairment annually if there is an indication that the asset may be impaired.

The recoverable service amount of a non-cash-generating asset is the higher of fair value less costs to sell and the value-in-use. The value-in-use is the present value of the remaining service potential of the asset, and is determined using the most appropriate of the depreciated replacement cost, restoration cost or service unit approach.

If the recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. An impairment loss is recognised immediately in surplus or deficit.

### IMPAIRMENT OF CASH-GENERATING ASSETS

At each reporting date, the Entity assesses whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the Entity estimates the recoverable amount of the asset.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value-in-use.

The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal.

The value-in-use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset as well as from its disposal at the end of its useful life.

### RECOGNITION AND MEASUREMENT (INDIVIDUAL ASSET)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the Entity recognises a liability only to the extent required by the standards of GRAP.

After the recognition of an impairment loss, the depreciation or amortisation charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

At each reporting date, a municipality assesses whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If so, the recoverable amounts of those assets are estimated. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Impairment losses on financial assets measured at cost shall not be reversed.



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# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

### COMPOSITION OF ESTIMATES OF FUTURE CASH FLOWS

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the Entity expects to obtain from the disposal of the asset in an arm's-length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

### DISCOUNT RATE

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have been adjusted.

## CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term bank deposits with a maturity of three months or less from inception, readily convertible to cash without significant change in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

## INVENTORIES

Inventories consist of consumable stock, water and other goods held for use or resale. Inventories are initially measured at cost and subsequently valued at the lower of cost (determined on the weighted-average basis) and net realisable value. Where they are held for distribution or consumption at no charge, or for a nominal amount, inventories are subsequently valued at the lower of cost and current replacement value.

Cost of inventories comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired through a non-exchange transaction, their cost is measured at their fair value as at the date of acquisition.

Redundant and slow-moving inventories are identified and written down to their estimated net realisable values or current replacement cost according to their age, condition and utility. Differences arising in the measurement of such inventories at the lower of cost and net realisable value or current replacement cost are recognised as an expense in the period during which the write-down or loss occurs.

The carrying amount of inventories is recognised as an expense in the period during which the inventories are consumed, sold, distributed or written off, unless the cost qualifies for capitalisation to the cost of another asset.

## TAXATION

Taxation on the profit or loss for the year consists of current and deferred taxation. Taxation is recognised in surplus or deficit.

Deferred taxation is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and their tax base, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affected neither accounting profit nor taxable surplus/deficit. The amount of deferred taxation provided is measured at the tax rates expected to apply to the period when the asset is released or the liability is settled, based on the tax rates/laws enacted or substantively enacted by the end of the reporting date.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences may be utilised. A deferred taxation asset is reduced as the realisation of the tax benefit becomes no longer probable.

## GRANTS AND TRANSFERS

Grants and transfers received or receivable are recognised as assets when the resources that have been transferred to the Entity meet the definition and criteria for recognition as assets.

A corresponding liability is recognised to the extent that the grant and transfer recognised as an asset is subject to conditions that require that the Entity either consumes the future economic benefits or service potential of the asset as specified, or that in the event that the conditions are breached, the Entity returns such future economic benefits or service potential to the transferor. The liability is transferred to revenue when the conditions attached to the grants and transfers are met. Grants and transfers that are not subject to any conditions are recognised as revenue when the assets are initially recognised.

Interest earned on the investment of grants and transfers received is treated in accordance with the stipulations set out in the agreement for the receipt of the grant and transfer invested.

## PROVISIONS

A provision is recognised when the Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the statement of financial performance as a finance cost.

## ENVIRONMENTAL REHABILITATION PROVISIONS

Estimated long-term environmental provisions, comprising rehabilitation of environmental damage and landfill site closure costs, are based on the Entity's policy, taking into account current technological, environmental and regulatory requirements.

The provision for rehabilitation is recognised as and when the environmental liability arises in terms of legislation. Changes in the measurement of existing environmental liabilities resulting from changes in the estimated timing or amount of the outflow of resources required to settle the obligation, or a change in the discount rate, shall be added to or deducted from the cost of the related asset in the current period. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit. Any unwinding of discount is charged to the statement of financial performance as a finance cost.

# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## EMPLOYEE BENEFITS

### RETIREMENT BENEFIT PLANS

The Entity provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

Defined-contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year during which they become payable.

Defined-benefit plans are post-employment benefit plans other than defined-contribution plans. The defined-benefit funds are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities. The contributions and lump sum payments are charged against income in the year during which they become payable.

The Entity does not apply defined-benefit accounting to the defined-benefit plans that are classified as multi-employer plans, as sufficient information is not available to apply the relevant principles. As a result, such plans are accounted for as defined-contribution plans.

### POST-RETIREMENT MEDICAL AID: CONTINUED MEMBERS

The Entity provides post-retirement benefits by subsidising the medical-aid contributions of certain retired staff. According to the rules of the medical schemes with which the Entity is associated, a member of the scheme is entitled to remain a member in retirement. Therefore, the Entity will continue to subsidise medical-aid contributions in accordance with the provisions of the employee's employment contract and the Entity's decision on protected rights.

Post-retirement medical-aid contributions paid by the Entity, depending on the employee's contract, could be 70% or a subsidy indicated on a sliding scale. In each case, the employee is responsible for the balance of post-retirement medical-aid contributions. External appointments after 15 December 2000 do not qualify for a post-retirement medical-aid subsidy. Only registered dependants on the medical scheme as at the date of the principal member's retirement are allowed to continue as dependants after retirement. In the event of the death of the principal member, the remaining dependants and children continue to be subsidised, subject to the rules of the post-retirement medical scheme. These contributions are charged to the operating account when employees have rendered the service entitling them to the contribution.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the actuarial gains and losses, and past service costs.

Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains or losses are fully accounted for in the statement of financial performance in the year during which they occur. The projected unit credit method has been used to value the obligation.

## EMPLOYEE BENEFITS (CONTINUED)

### SHORT-TERM AND LONG-TERM EMPLOYEE BENEFITS

The cost of all short-term employee benefits is recognised in the period during which the employee renders the related service. The Entity recognises the expected cost of performance bonuses only when the Entity has a present legal or constructive obligation to make such payment, and if a reliable estimate can be made.

The Entity provides long-service leave to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance. The projected unit credit method has been used to value the obligation.

## FINANCIAL INSTRUMENTS

Financial instruments are recognised when the Entity becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the instrument are added to or deducted from the fair value, as appropriate on initial recognition.

Standard of GRAP 108 on statutory receivables does not require disclosure of the risk associated with these transactions. In the absence of such a requirement, the Entity has based its disclosure on standard of GRAP 104, which deals with financial instruments. The risk exposure for these transactions is disclosed under a separate category, "Statutory assets", in note 1 to these financial statements.

### NON-DERIVATIVE FINANCIAL ASSETS

The classification of financial assets depends on their nature and purpose, and is determined at the time of initial recognition.

#### INVESTMENTS AT FAIR VALUE

Non-derivative investments held without the positive intent or ability to hold to maturity. Subsequent to initial recognition, all changes to fair value are recognised through the statement of financial performance.

#### INVESTMENTS AT AMORTISED COST

Non-derivative investments with fixed or determinable payments and fixed maturity dates, which the Entity has the positive intent and ability to hold to maturity. Subsequent to initial recognition, such investments are measured at amortised cost using the effective interest method less any impairment.

#### INVESTMENTS AT COST

The City elected in its separate financial statements to account for its investments in controlled entities and associates as financial instruments.

Investments at cost are residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably measured. Subsequent to initial recognition, such investments are measured at cost less any impairment.

Financial assets other than those at fair value are assessed for indicators of impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. The impairment assessment is based on the difference between the carrying amount of the investment and the present value of the estimated future cash flows, discounted at the current market rate of return. In arriving at the estimated future cash flows, management made significant assumptions regarding future cash flows.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Entity has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## FINANCIAL INSTRUMENTS (CONTINUED)

### NON-DERIVATIVE FINANCIAL LIABILITIES

After initial recognition, the Entity measures all financial liabilities, including payables, at amortised cost, using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and payables. Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or when it expires.

### DERIVATIVE FINANCIAL INSTRUMENTS

The Entity holds derivative financial instruments to hedge its foreign-currency risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss, as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and any changes are recognised in profit or loss.

### PAYABLES

Payables are initially measured at fair value plus transactional cost, and are subsequently measured at amortised cost, using the effective interest rate method.

### RECEIVABLES

Receivables that arise from contractual rights are classified as contractual receivables, while receivables that arise from the operation of law are classified as statutory receivables.

Contractual receivables are initially recognised at fair value plus transactional cost, which approximates amortised cost.

Statutory receivables are initially measured at the transaction amount of the corresponding exchange or non-exchange revenue transaction, and are subsequently measured at cost. Property rates are charged in terms of the Local Government: Municipal Property Rates Act 6 of 2004, and city improvement district (CID) levies and traffic fines in terms of the municipal by-laws. The transaction amounts are based on approved tariff structures.

Included in the contractual receivables from exchange transactions, specifically water, refuse and sewerage, are receivables from availability charges that should be presented as contractual receivables from non-exchange receivables. The revenue related to these receivables has been correctly split between exchange and non-exchange service charges in note 19.

A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision for impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Interest is charged on overdue amounts.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to approval by the appropriate delegated authority.

Amounts receivable within 12 months from the date of reporting are classified as current.

## BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standards on an accrual basis, and are consistent with the accounting policies adopted by Council for the preparation of these financial statements.

The budget amounts are presented as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments on material differences are provided in the notes to the financial statements.

Comparative information is not required for, and has therefore not been presented in, the statement of comparison of budget and actual amounts.

## REVENUE RECOGNITION

Revenue is recognised net of indirect taxes, rebates and trade discounts, and consists primarily of rates, grants from National Government and Province, service charges, rentals, interest received and other services rendered. Revenue is recognised when it is probable that future economic benefits or services potential will flow to the Entity, and when these benefits can be reliably measured. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount. Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered, by applying the relevant authorised tariff. This includes the issuing of licences and permits.

## REVENUE FROM EXCHANGE TRANSACTIONS

Exchange transactions are transactions in which the Entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Service charges are levied in terms of the approved tariffs.

Credit meters are read on a periodic basis, and revenue is recognised providing that the benefits can be measured reliably. Estimates of consumption are made every other month based on consumption history. Such estimated consumption is recognised as income when invoiced, and adjusted upon subsequent actual meter readings. An accrual based on a determined consumption factor is made for consumption not measured as at the end of the financial year.

Electricity services provided on a prepayment basis are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end, based on the average consumption history.

Income in respect of housing rental and instalment sale agreements is accrued monthly.

Interest earned on investments is recognised in the statement of financial performance on a time-proportionate basis, which takes into account the effective yield on the investment. Interest may be transferred from the accumulated surplus to the housing development fund or the insurance reserve.

Interest earned on the following investments is not recognised in the statement of financial performance:

- Interest earned on trust funds is allocated directly to the fund.
- Interest earned on unutilised conditional grants is allocated directly to the creditor "Unspent conditional grants and receipts" if the grant conditions indicate, or where management has determined, that interest is payable to the funder.

Income for agency services, where the Entity acts as an agent, is recognised monthly once the income collected on behalf of principals is earned. The income is recognised in terms of the agency agreement.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- The amount of revenue can be reliably measured.
- The costs incurred or to be incurred in respect of the transaction can be reliably measured.



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# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## REVENUE RECOGNITION (CONTINUED)

### REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are transactions where the Entity received revenue from another entity without giving approximately equal value in exchange.

Revenue from rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time-proportionate basis with reference to the principal amount receivable and effective interest rate applicable.

A composite rating system, charging different rate tariffs, is used. Rebates are granted to certain categories of ratepayers, and are deducted from revenue.

Revenue from traffic fines is recognised on the date of the offence.

Donations are recognised on a cash receipt basis or, where the donation is in the form of property, plant and equipment, when the risks or rewards of ownership have transferred to the Entity. Donations are measured at fair value.

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Local Government: Municipal Finance Management Act 56 of 2003, and is recognised when recovered from the responsible party.

## CONSTRUCTION CONTRACTS

### ARRANGEMENTS UNDERTAKEN IN TERMS OF THE NATIONAL HOUSING PROGRAMME

In March 2021, the City received level-2 accreditation under the National Housing Code for its participation in the National Housing Programme. This accreditation now means that the City serves as a project developer in terms of arrangements relating to the construction and transfer of houses to the beneficiaries of the National Housing Programme.

Grants received to implement the National Housing Programme are recognised as contract revenue.

Contract revenue comprises:

- a) the initial amount of revenue agreed in the contract; and
- b) variations in contract work, claims and incentive payments to the extent that:
  - i) it is probable that they will result in revenue; and
  - ii) they are capable of being reliably measured.

Contract revenue is measured at the fair value of the consideration received or receivable.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised as revenue based on the stage of completion of the contract activity at the reporting date. The stage of completion is assessed with reference to a review of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs that have been incurred and are likely to be recoverable.

## CONSTRUCTION CONTRACTS (CONTINUED)

### ARRANGEMENTS UNDERTAKEN IN TERMS OF THE NATIONAL HOUSING PROGRAMME (CONTINUED)

The outcome of a construction contract can be estimated reliably when all the following conditions are satisfied:

- a) Total contract revenue, if any, can be measured reliably.
- b) It is probable that the economic benefits or service potential associated with the contract will flow to the Entity.
- c) Both the contract costs to complete the contract and the stage of contract completion at the reporting date can be measured reliably.
- d) The contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

Costs incurred to implement the National Housing Programme are expensed as contract costs. Contract costs comprise:

- a) costs that relate directly to the specific contract;
- b) costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
- c) such other costs as are specifically chargeable to the customer under the terms of the contract.

Contract costs include the costs attributable to a contract from the date of securing the contract up to its final completion. Costs that cannot be attributed to contract activity or be allocated to a contract are excluded from the costs of a construction contract. Such costs include:

- a) general administration costs for which reimbursement is not specified in the contract;
- b) selling costs;
- c) research and development costs for which reimbursement is not specified in the contract; and
- d) depreciation of idle plant and equipment that is not used on a particular contract.

As with contract revenue, contract costs are recognised as expenses when the outcome of a construction contract can be estimated reliably, based on the stage of completion of the contract activity at the reporting date.

### OTHER TRANSACTIONS RELATING TO HOUSING ARRANGEMENTS

Other transactions may also arise from the housing arrangements. These may fall within the ambit of GRAP 11: Construction Contracts, GRAP 9: Revenue from Exchange Transactions, GRAP 23: Revenue from Non-Exchange Transactions, or GRAP 109: Accounting by Principals and Agents.

- Income from grants pertaining to the planning and construction of civil services for a project is considered to be grants and subsidies in terms of GRAP 23: Revenue from Non-Exchange Transactions.
- Receipts directly attributable to the administration of beneficiaries are accounted for under operational revenue as housing services rendered in terms of GRAP 9: Revenue from Exchange Transactions.
- Receipts to register the title deed in the name of the beneficiary are regarded as receipts and payments on behalf of the beneficiaries in terms of GRAP 109: Accounting by Principals and Agents, which implies that the City is regarded as an agent.

# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

## LEASES

### THE ENTITY AS LESSEE

Operating leases are those where risks and rewards of ownership are not transferred to the lessee. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

### THE ENTITY AS LESSOR

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

## GRANTS-IN-AID

The Entity transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Entity does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period during which the events giving rise to the transfer occurred.

## BORROWING COSTS

Borrowing costs are recognised as an expense in the period during which they are incurred.

## UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised, irregular, and fruitless and wasteful expenditure is accounted for as a capital or an operating expense in the financial statements and classified in accordance with the nature of the expense. Where recovered, it is subsequently accounted for as revenue.

The total amounts, nature and type of these expenses are disclosed in note 41.

## SERVICES IN KIND

Services in kind are not recognised as revenue or assets, but the nature and type of major classes of services in kind are disclosed in note 21.

## RELATED PARTIES

A related party is a person or an entity with the ability to control the Entity either individually or jointly, or the ability to exercise significant influence over the Entity, or vice versa.

Management is regarded as a related party, and comprises the councillors, Executive Mayor, Executive Deputy Mayor, Mayoral Committee (Mayco) members, City Manager and executive directors.

## SEGMENT REPORTING

### BASIS FOR SEGMENTATION

The City is a complex metropolitan municipality with a wide variety of goods and services managed by various business units. Operations are structured to achieve optimum service delivery, and the City produces various reports in which its activities are presented in a number of ways.

Segments are identified based on the Municipal Finance Management Act section 71 monthly budget statements, which executive management and Council review to make strategic decisions and monitor segment performance. The disclosure of information about segments in the budget statements is organised around the type of service delivered, and is presented in a standardised format. As such, it is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

Segments are aggregated for reporting purposes where management considers the economic characteristics and nature of services as sufficiently similar to warrant aggregation. The components of each aggregated segment are explained under the description of segment operations.

Reportable segments are identified based on activities of the Entity that generate economic benefits or service potential, including internal services that contribute to achieving the Entity's objectives without necessarily generating net cash inflows.

### ACCOUNTING POLICY AND MEASUREMENT BASIS

The accounting policies of the reportable segments are the same as the Entity's accounting policies.

Intersegment pricing is determined on an arm's-length basis, similar to transactions with third parties. Intersegment revenues are eliminated upon consolidation and reflected in the "Intersegment offsetting" column of the segment report.

### GEOGRAPHIC INFORMATION

All the Entity's operations are located in the Republic of South Africa, in the Cape Town area. Information to report on different geographic areas is not available, and the cost to develop this functionality would be excessive.

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
Note	2023	2022	2023	2022
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>66 304 177</b>	<b>63 740 495</b>	<b>66 030 087</b>	<b>63 475 894</b>
Property, plant and equipment	2 59 440 185	55 859 317	58 990 950	55 427 040
Heritage assets	3 10 268	10 268	10 268	10 268
Investment property	4 576 106	577 820	576 106	577 820
Intangible assets	5 737 340	626 733	733 844	621 600
Investments	6 5 390 288	6 509 989	5 718 223	6 837 924
Investment in associate	39.1 41 374	28 033	-	-
Long-term receivables	7 696	1 242	696	1 242
Deferred taxation	32.1 107 920	127 093	-	-
<b>Current assets</b>	<b>20 589 695</b>	<b>18 501 143</b>	<b>20 416 991</b>	<b>18 389 398</b>
Inventory	8 485 906	432 192	483 155	430 223
Receivables	9 7 460 949	6 962 230	7 400 919	6 908 628
From non-exchange transactions	3 234 609	2 683 262	3 237 826	2 685 570
From exchange transactions	4 226 340	4 278 968	4 163 093	4 223 058
Investments	6 4 375 085	2 746 207	4 375 085	2 746 207
Value-added tax	10 46 627	5 209	46 439	5 951
Taxation	663	663	-	-
Current portion of long-term receivables	7 612	3 246	612	3 246
Cash and cash equivalents	11 8 219 853	8 351 396	8 110 781	8 295 143
<b>TOTAL ASSETS</b>	<b>86 893 872</b>	<b>82 241 638</b>	<b>86 447 078</b>	<b>81 865 292</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>	<b>12 244 597</b>	<b>12 651 891</b>	<b>12 244 597</b>	<b>12 651 891</b>
Borrowings	12 5 630 840	5 220 709	5 630 840	5 220 709
Provisions	14 6 613 757	7 431 182	6 613 757	7 431 182
<b>Current liabilities</b>	<b>12 624 801</b>	<b>11 301 608</b>	<b>12 478 340</b>	<b>11 192 700</b>
Deposits	15 530 250	564 502	439 733	487 878
Provisions	14 1 713 711	1 692 258	1 709 921	1 692 258
Payables from exchange transactions	16 7 835 268	6 840 388	7 783 114	6 808 104
Unspent conditional grants and receipts	17 826 752	777 984	826 752	777 984
Current portion of borrowings	12 1 718 820	1 426 476	1 718 820	1 426 476
<b>TOTAL LIABILITIES</b>	<b>24 869 398</b>	<b>23 953 499</b>	<b>24 722 937</b>	<b>23 844 591</b>
<b>NET ASSETS</b>				
<b>Total net assets</b>	<b>62 024 474</b>	<b>58 288 139</b>	<b>61 724 141</b>	<b>58 020 701</b>
Housing development fund	18 307 275	312 820	307 275	312 820
Reserves	4 689 354	5 067 995	4 689 354	5 067 995
Accumulated surplus	56 739 794	52 625 049	56 727 512	52 639 886
Non-controlling interest	288 051	282 275	-	-
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<b>86 893 872</b>	<b>82 241 638</b>	<b>86 447 078</b>	<b>81 865 292</b>

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	Note	ECONOMIC ENTITY		CITY OF CAPE TOWN	
		2023	2022	2023	2022
<b>REVENUE</b>					
<b>Exchange revenue</b>		<b>27 543 203</b>	<b>26 033 423</b>	<b>27 276 051</b>	<b>25 966 291</b>
Service charges	19	24 296 283	23 526 346	24 295 205	23 526 030
Rental of letting stock and facilities		569 531	454 881	420 355	382 647
Finance income	20	1 742 634	1 249 562	1 735 432	1 247 922
Licences and permits		41 517	40 010	41 517	40 010
Agency services		276 684	262 094	276 684	262 094
Other income	21	529 863	428 467	420 167	407 401
Gains on disposal of property, plant and equipment		86 691	72 063	86 691	100 187
<b>Non-exchange revenue</b>		<b>24 811 005</b>	<b>22 799 577</b>	<b>24 815 052</b>	<b>22 799 432</b>
Service charges	19	50 856	35 778	50 856	35 778
Finance income	20	124 173	99 174	124 173	99 174
Other income	21	409 696	293 385	409 696	293 385
Property rates	22	11 241 382	10 358 888	11 245 429	10 358 743
Fuel levy		2 666 726	2 608 900	2 666 726	2 608 900
Fines, penalties and forfeits		1 984 419	1 926 090	1 984 419	1 926 090
Government grants and subsidies	23	7 990 614	7 181 249	7 990 614	7 181 249
Construction contracts	24	284 904	282 031	284 904	282 031
Public contributions	25	58 235	14 082	58 235	14 082
<b>TOTAL REVENUE</b>		<b>52 354 208</b>	<b>48 833 000</b>	<b>52 091 103</b>	<b>48 765 723</b>
<b>EXPENDITURE</b>					
Employee-related costs	26	15 335 108	15 309 791	15 260 879	15 253 889
Remuneration of councillors and board members	39.2.1	167 871	158 411	166 895	157 473
Impairment	27	3 010 962	2 745 381	3 040 034	2 873 178
Collection costs		205 056	213 232	203 676	211 862
Depreciation and amortisation expenses <sup>1</sup>	2, 4, 5	3 281 186	3 065 552	3 241 058	3 026 161
Finance costs	28	768 944	771 626	768 944	771 626
Bulk purchases	29	12 098 296	11 839 509	12 098 296	11 839 509
Contracted services	30	3 203 955	2 897 455	3 183 339	2 887 360
Grants and subsidies paid		315 052	325 443	348 248	367 358
General expenses	31	10 221 047	8 567 977	10 071 730	8 468 858
Losses on disposal of property, plant and equipment		4 564	5 264	4 564	5 264
<b>TOTAL EXPENDITURE</b>		<b>48 612 041</b>	<b>45 899 641</b>	<b>48 387 663</b>	<b>45 862 538</b>
<b>NET SURPLUS FROM OPERATIONS</b>		<b>3 742 167</b>	<b>2 933 359</b>	<b>3 703 440</b>	<b>2 903 185</b>
Share of surplus/(deficit) in associate	39.1	13 341	(343)		
<b>Surplus from operations before taxation</b>		<b>3 755 508</b>	<b>2 933 016</b>	<b>3 703 440</b>	<b>2 903 185</b>
Taxation	32.2	(19 173)	(49 600)	-	-
<b>NET SURPLUS FROM OPERATIONS</b>		<b>3 736 335</b>	<b>2 883 416</b>	<b>3 703 440</b>	<b>2 903 185</b>
Attributable to owners of the controlling entity		<b>3 730 559</b>	<b>2 881 660</b>		
Attributable to non-controlling interest		5 776	1 756		
<b>SURPLUS FOR THE YEAR</b>		<b>3 736 335</b>	<b>2 883 416</b>		

<sup>1</sup> See annexure B for more details.

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	ECONOMIC ENTITY					
	Housing development fund	Capital replacement reserve	Insurance reserves	Accumulated surplus	Non-controlling interest	Total
2022						
<b>Balance as at 1 July 2021</b>	<b>421 203</b>	<b>4 452 496</b>	<b>624 832</b>	<b>49 633 643</b>	<b>272 549</b>	<b>55 404 723</b>
Surplus for the year	-	-	-	2 881 660	1 756	2 883 416
Transfer from share purchases	-	-	-	(7 970)	7 970	-
Transfer (from)/to	(88 167)	751 943	8 356	(672 132)	-	-
Property, plant and equipment purchased	(20 216)	(769 632)	-	789 848	-	-
<b>Balance as at 30 June 2022</b>	<b>312 820</b>	<b>4 434 807</b>	<b>633 188</b>	<b>52 625 049</b>	<b>282 275</b>	<b>58 288 139</b>
2023						
Surplus for the year	-	-	-	3 730 559	5 776	3 736 335
Transfer to/(from)	1 804	808 408	(18 114)	(792 098)	-	-
Property, plant and equipment purchased	(7 349)	(1 168 935)	-	1 176 284	-	-
<b>Balance as at 30 June 2023</b>	<b>307 275</b>	<b>4 074 280</b>	<b>615 074</b>	<b>56 739 794</b>	<b>288 051</b>	<b>62 024 474</b>

	CITY OF CAPE TOWN				
	Housing development fund	Capital replacement reserve	Insurance reserves	Accumulated surplus	Total
2022					
<b>Balance as at 1 July 2021</b>	<b>421 203</b>	<b>4 452 496</b>	<b>624 832</b>	<b>49 618 985</b>	<b>55 117 516</b>
Surplus for the year	-	-	-	2 903 185	2 903 185
Transfer (from)/to	(88 167)	751 943	8 356	(672 132)	-
Property, plant and equipment purchased	(20 216)	(769 632)	-	789 848	-
<b>Balance as at 30 June 2022</b>	<b>312 820</b>	<b>4 434 807</b>	<b>633 188</b>	<b>52 639 886</b>	<b>58 020 701</b>
2023					
Surplus for the year	-	-	-	3 703 440	3 703 440
Transfer to/(from)	1 804	808 408	(18 114)	(792 098)	-
Property, plant and equipment purchased	(7 349)	(1 168 935)	-	1 176 284	-
<b>Balance as at 30 June 2023</b>	<b>307 275</b>	<b>4 074 280</b>	<b>615 074</b>	<b>56 727 512</b>	<b>61 724 141</b>



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	Note	ECONOMIC ENTITY		CITY OF CAPE TOWN	
		2023	2022	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash receipts from ratepayers, government and other		46 883 270	43 875 363	46 603 682	43 495 165
Cash paid to suppliers and employees		(41 846 647)	(38 635 128)	(41 639 854)	(38 246 889)
Cash generated from operations	33	5 036 623	5 240 235	4 963 828	5 248 276
Finance income	33	1 824 243	1 433 666	1 817 833	1 432 200
Finance costs	33	(673 596)	(702 468)	(673 596)	(702 468)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>6 187 270</b>	<b>5 971 433</b>	<b>6 108 065</b>	<b>5 978 008</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Additions to property, plant and equipment and other		(6 698 427)	(5 460 805)	(6 671 739)	(5 450 250)
Proceeds on disposal of assets		134 080	71 372	133 778	71 208
Decrease in long-term receivables		5 974	12 851	5 974	12 851
Increase in investments		(518 278)	(20 280)	(518 278)	(71 280)
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(7 076 651)</b>	<b>(5 396 862)</b>	<b>(7 050 265)</b>	<b>(5 437 471)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowings	12	2 116 000	-	2 116 000	-
Repayment of borrowings		(1 358 162)	(371 494)	(1 358 162)	(371 494)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>757 838</b>	<b>(371 494)</b>	<b>757 838</b>	<b>(371 494)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(131 543)</b>	<b>203 077</b>	<b>(184 362)</b>	<b>169 043</b>
Cash and cash equivalents at the beginning of the year		8 351 396	8 148 319	8 295 143	8 126 100
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	11	<b>8 219 853</b>	<b>8 351 396</b>	<b>8 110 781</b>	<b>8 295 143</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – ECONOMIC ENTITY

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	Note	Approved budget	Virements	Final budget	Actual per annual financial statements classification	Classification differences	Recognition differences	Actual per budget classification	Variance: Final budget and actual amounts	Actual per budget as a % of final budget amount
		38.1	38.2	38.1	38.3	38.4.1	38.4.2			
<b>STATEMENT OF FINANCIAL POSITION</b>										
Total non-current assets	38.5.1	67 785 003	-	67 785 003	66 304 177	-	-	66 304 177	1 480 826	97,82
Total current assets	i	17 610 184	-	17 610 184	20 589 695	-	-	20 774 158	(3 163 974)	117,97
<b>TOTAL ASSETS</b>		<b>85 395 187</b>	-	<b>85 395 187</b>	<b>86 893 872</b>	-	-	<b>87 078 335</b>	<b>(1 683 148)</b>	<b>101,97</b>
Total non-current liabilities	ii	13 664 354	-	13 664 354	12 244 597	-	-	12 244 597	1 419 757	89,61
Total current liabilities	iii	11 447 113	-	11 447 113	12 624 801	-	-	12 624 801	(1 177 688)	110,29
<b>TOTAL LIABILITIES</b>		<b>25 111 467</b>	-	<b>25 111 467</b>	<b>24 869 398</b>	-	-	<b>24 869 398</b>	<b>242 069</b>	<b>99,04</b>
Total net assets		60 283 720	-	60 283 720	62 024 474	-	-	62 024 474	(1 740 754)	102,89
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>85 395 187</b>	-	<b>85 395 187</b>	<b>86 893 872</b>	-	-	<b>86 893 872</b>	<b>(1 498 685)</b>	<b>101,75</b>
<b>FINANCIAL PERFORMANCE</b>										
Property rates	38.5.2	11 519 486	-	11 519 486	11 241 382	316 181	-	11 557 563	(38 077)	100,33
Service charges		24 626 725	-	24 626 725	24 347 139	(622 188)	-	23 724 951	901 774	96,34
Investment revenue	i	1 266 530	-	1 266 530	1 866 807	(412 187)	-	1 454 620	(188 090)	114,85
Transfers recognised – operational		6 417 062	-	6 417 062	6 171 454	50 479	-	6 221 933	195 129	96,96
Other own revenue	i	10 363 522	-	10 363 522	6 565 127	4 858 079	-	11 423 206	(1 059 684)	110,23
<b>Total revenue (excluding capital transfers and contributions)</b>		<b>54 193 325</b>	-	<b>54 193 325</b>	<b>50 191 909</b>	<b>4 190 364</b>	-	<b>54 382 273</b>	<b>(188 948)</b>	<b>100,35</b>
Employee costs	iii	17 373 156	(31 985)	17 341 171	15 335 108	465	-	15 335 573	2 005 598	88,43
Remuneration of councillors and board members		182 309	-	182 309	167 871	9 169	-	177 040	5 269	97,11
Debt impairment	iv	2 473 077	-	2 473 077	3 010 962	(18 465)	-	2 992 497	(519 420)	121,00
Depreciation and asset impairment		3 312 709	-	3 312 709	3 281 186	18 466	-	3 299 652	13 057	99,61
Finance charges		753 169	(888)	752 281	768 944	3 489	-	772 433	(20 152)	102,68
Materials and bulk purchases		17 971 873	35 662	18 007 535	12 098 296	5 400 298	-	17 498 594	508 941	97,17
Transfers and grants	v	442 048	1 208	443 256	348 248	28 853	-	377 101	66 155	85,08
Other expenditure		12 417 120	(3 996)	12 413 124	13 601 426	(1 302 390)	-	12 299 036	114 088	99,08
<b>Total expenditure</b>		<b>54 925 461</b>	<b>1</b>	<b>54 925 462</b>	<b>48 612 041</b>	<b>4 139 885</b>	-	<b>52 751 926</b>	<b>2 173 536</b>	<b>96,04</b>
<b>Surplus</b>		<b>(732 136)</b>	<b>(1)</b>	<b>(732 137)</b>	<b>1 579 868</b>	<b>50 479</b>	-	<b>1 630 347</b>	<b>(2 362 484)</b>	<b>93,11</b>
Transfers recognised – capital		2 268 084	-	2 268 084	2 104 064	7 756	-	2 111 820	156 264	
Contributions recognised – capital and contributed assets		-	-	-	58 235	(58 235)	-	-	-	
<b>Surplus after capital transfers and contributions</b>		<b>1 535 948</b>	<b>(1)</b>	<b>1 535 947</b>	<b>3 742 167</b>	<b>-</b>	<b>-</b>	<b>3 742 167</b>	<b>(2 206 220)</b>	

Note	Approved budget 38.1	Virements 38.2	Final budget 38.1	Actual per annual financial statements classification 38.3	Classification differences 38.4.1	Recognition differences 38.4.2	Actual per budget classification	Variance: Final budget and actual amounts	Actual per budget as a % of final budget amount
<b>CASH FLOW STATEMENT</b>									
38.5.3									
i	5 656 496	-	5 656 496	6 187 270	48 145	-	6 235 415	(578 919)	110,23
	(7 150 459)	-	(7 150 459)	(7 076 651)	-	-	(7 076 651)	(73 808)	98,97
	673 391	-	673 391	757 838	(48 145)	-	709 693	(36 302)	105,39
	<b>(820 572)</b>	-	<b>(820 572)</b>	<b>(131 543)</b>	-	-	<b>(131 543)</b>	<b>(689 029)</b>	<b>16,03</b>
	<b>7 499 053</b>	-	<b>7 499 053</b>	<b>8 219 853</b>	-	-	<b>8 219 853</b>	<b>(720 800)</b>	<b>109,61</b>
<b>Cash/cash equivalents at year-end</b>									
<b>CAPITAL EXPENDITURE</b>									
38.6									
i	267 938	-	267 938	225 519	-	(2 495)	223 024	(44 914)	83,24
ii	443 776	-	443 776	430 272	-	(4 975)	425 297	(18 479)	95,84
iii	50 523	-	50 523	46 144	-	-	46 144	(4 379)	91,33
iv	1 074 183	-	1 074 183	1 006 874	-	-	1 006 874	(67 309)	93,73
	30 683	-	30 683	28 965	-	-	28 965	(1 718)	94,40
v	26 251	-	26 251	24 787	-	-	24 787	(1 464)	94,42
	953 900	-	953 900	881 608	-	-	881 608	(72 292)	92,42
vi	7 405	-	7 405	6 669	-	-	6 669	(736)	90,06
	282 949	-	282 949	281 673	-	(2)	281 671	(1 278)	99,55
vii	264 290	-	264 290	224 417	-	-	224 417	(39 873)	84,91
viii	1 329 677	-	1 329 677	1 089 031	-	-	1 089 031	(240 646)	81,90
ix	694 253	-	694 253	661 255	-	(22 435)	638 820	(55 433)	92,02
x	2 385 748	-	2 385 748	2 051 842	-	(242)	2 051 600	(334 148)	85,99
xi	32 652	-	32 652	26 580	-	-	26 580	6 072	81,40
	<b>7 844 228</b>	-	<b>7 844 228</b>	<b>6 985 636</b>	-	<b>(30 149)</b>	<b>6 955 487</b>	<b>(876 597)</b>	<b>88,67</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – CITY OF CAPE TOWN

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

Note	Approved budget 38.1	Virements 38.2	Final budget 38.1	Actual per annual financial statements classification 38.3	Classification differences 38.4.1	Recognition differences 38.4.2	Actual per budget classification	Variance: Final budget and actual amounts	Actual per budget as a % of final budget amount
<b>STATEMENT OF FINANCIAL POSITION</b>									
38.5.1									
	67 054 344	-	67 054 344	66 030 087	-	-	66 030 087	1 024 257	98,47
i	17 546 538	-	17 546 538	20 416 991	-	-	20 416 991	(2 870 453)	116,36
	<b>84 600 882</b>	<b>-</b>	<b>84 600 882</b>	<b>86 447 078</b>	<b>-</b>	<b>-</b>	<b>86 447 078</b>	<b>(1 846 196)</b>	<b>102,18</b>
ii	13 663 916	-	13 663 916	12 244 597	-	-	12 244 597	1 419 319	89,61
iii	11 348 164	-	11 348 164	12 478 340	-	-	12 478 340	(1 130 176)	109,96
	<b>25 012 080</b>	<b>-</b>	<b>25 012 080</b>	<b>24 722 937</b>	<b>-</b>	<b>-</b>	<b>24 722 937</b>	<b>289 143</b>	<b>98,84</b>
	59 588 802	-	59 588 802	61 724 141	-	-	61 724 141	(2 135 339)	103,58
	<b>84 600 882</b>	<b>-</b>	<b>84 600 882</b>	<b>86 447 078</b>	<b>-</b>	<b>-</b>	<b>86 447 078</b>	<b>(1 846 196)</b>	<b>102,18</b>
<b>FINANCIAL PERFORMANCE</b>									
38.5.2									
	11 519 486	-	11 519 486	11 245 429	316 181	-	11 561 610	(42 124)	100,37
	24 626 725	-	24 626 725	24 346 061	(622 188)	-	23 723 873	902 852	96,33
i	1 263 260	-	1 263 260	1 859 605	(412 187)	-	1 447 418	(184 158)	114,58
	6 383 866	-	6 383 866	6 171 454	50 479	-	6 221 933	161 933	97,46
ii	10 091 031	-	10 091 031	6 306 255	4 858 079	-	11 764 334	(1 073 303)	110,64
	<b>53 884 368</b>	<b>-</b>	<b>53 884 368</b>	<b>49 928 804</b>	<b>4 190 364</b>	<b>-</b>	<b>54 119 168</b>	<b>(234 800)</b>	<b>100,44</b>
iii	17 298 472	(31 985)	17 266 487	15 260 879	465	-	15 261 344	2 005 143	88,39
	181 120	-	181 120	166 895	9 169	-	176 064	5 056	97,21
iv	2 473 077	-	2 473 077	3 040 034	(18 465)	-	3 021 569	(548 492)	122,18
	3 270 102	-	3 270 102	3 241 058	18 466	-	3 259 524	10 578	99,68
	753 169	(888)	752 281	768 944	3 489	-	772 433	(20 152)	102,68
v	17 939 452	35 662	17 975 114	12 098 296	5 400 298	-	17 498 594	476 520	97,35
	432 921	1 208	434 129	348 248	28 853	-	377 101	57 028	86,86
	12 213 977	(3 996)	12 209 981	13 463 309	(1 302 390)	-	12 160 919	49 062	99,60
	<b>54 562 290</b>	<b>1</b>	<b>54 562 291</b>	<b>48 387 663</b>	<b>4 139 885</b>	<b>-</b>	<b>52 527 548</b>	<b>2 034 743</b>	<b>96,27</b>
	(677 922)	(1)	(677 923)	1 541 141	50 479	-	1 591 620	(2 269 543)	93,11
	2 268 084	-	2 268 084	2 104 064	7 756	-	2 111 820	156 264	
	-	-	-	58 235	(58 235)	-	-	-	
	<b>1 590 162</b>	<b>(1)</b>	<b>1 590 161</b>	<b>3 703 440</b>	<b>-</b>	<b>-</b>	<b>3 703 440</b>	<b>(2 113 279)</b>	
<b>Surplus</b>									
	Transfers recognised – capital								
	Contributions recognised – capital and contributed assets								
	<b>Surplus after capital transfers and contributions</b>								

Note	Approved budget 38.1	Virements 38.2	Final budget 38.1	Actual per annual financial statements classification 38.3	Classification differences 38.4.1	Recognition differences 38.4.2	Actual per budget classification	Variance: Final budget and actual amounts	Actual per budget as a % of final budget amount
<b>CASH FLOW STATEMENT</b>									
38.5.3									
i	5 605 580	-	5 605 580	6 108 065	48 145	-	6 156 210	(550 630)	109,82
	(7 117 807)	-	(7 117 807)	(7 050 265)	-	-	(7 050 265)	(67 542)	99,05
	673 391	-	673 391	757 838	(48 145)	-	709 693	(36 302)	105,39
	<b>(838 836)</b>	-	<b>(838 836)</b>	<b>(184 362)</b>	-	-	<b>(184 362)</b>	<b>(654 474)</b>	21,98
	<b>7 456 307</b>	-	<b>7 456 307</b>	<b>8 110 781</b>	-	-	<b>8 110 781</b>	<b>(654 474)</b>	<b>108,78</b>
<b>Cash/cash equivalents at year-end</b>									
<b>CAPITAL EXPENDITURE</b>									
38.6									
i	267 938	-	267 938	225 519	-	(2 495)	223 024	(44 914)	83,24
ii	443 776	-	443 776	430 272	-	(4 975)	425 297	(18 479)	95,84
iii	50 523	-	50 523	46 144	-	-	46 144	(4 379)	91,33
iv	1 074 183	-	1 074 183	1 006 874	-	-	1 006 874	(67 309)	93,73
v	30 683	-	30 683	28 965	-	-	28 965	(1 718)	94,40
	26 251	-	26 251	24 787	-	-	24 787	(1 464)	94,42
	953 900	-	953 900	881 608	-	-	881 608	(72 292)	92,42
vi	7 405	-	7 405	6 669	-	-	6 669	(736)	90,06
	282 949	-	282 949	281 673	-	(2)	281 671	(1 278)	99,55
vii	264 290	-	264 290	224 417	-	-	224 417	(39 873)	84,91
viii	1 329 677	-	1 329 677	1 089 031	-	-	1 089 031	(240 646)	81,90
ix	694 253	-	694 253	661 255	-	(22 435)	638 820	(55 433)	92,02
x	2 385 748	-	2 385 748	2 051 842	-	(242)	2 051 600	(334 148)	85,99
	<b>7 811 576</b>	-	<b>7 811 576</b>	<b>6 959 056</b>	-	<b>(30 149)</b>	<b>6 928 907</b>	<b>(882 669)</b>	<b>88,70</b>



TO  
GETHER.



# SEGMENT REPORT

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	Water management	Wastewater management	Waste management	Energy sources	Municipal governance and administration
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
Non-current assets	6 699 107	7 319 377	1 900 095	10 692 781	13 713 973
Current assets	1 037 447	479 029	287 523	1 799 821	16 332 077
<b>TOTAL ASSETS</b>	<b>7 736 554</b>	<b>7 798 406</b>	<b>2 187 618</b>	<b>12 492 602</b>	<b>30 046 050</b>
<b>LIABILITIES</b>					
Non-current liabilities	194 378	104 279	880 184	603 959	9 299 879
Current liabilities	2 004 210	2 242 011	202 656	2 905 869	2 715 279
<b>TOTAL LIABILITIES</b>	<b>2 198 588</b>	<b>2 346 290</b>	<b>1 082 840</b>	<b>3 509 828</b>	<b>12 015 158</b>
<b>ADDITIONS TO PPE AND OTHER ASSETS</b>	<b>710 922</b>	<b>1 060 185</b>	<b>368 262</b>	<b>1 003 581</b>	<b>1 319 810</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>					
<b>REVENUE</b>					
<b>Exchange revenue</b>	<b>4 163 404</b>	<b>2 113 418</b>	<b>1 349 044</b>	<b>16 563 694</b>	<b>2 139 143</b>
Service charges	4 009 107	2 018 816	1 296 223	16 389 724	85 824
Rental of letting stock and facilities	207	24	-	27	215 948
Finance income	145 923	54 918	37 805	32 680	1 444 816
Licences and permits	-	-	-	-	7
Income from agency services	-	-	-	-	262 347
Other income	7 786	39 584	14 981	139 148	48 481
Gains on disposal of PPE	381	76	35	2 115	81 720
<b>Non-exchange revenue</b>	<b>428 877</b>	<b>1 117 697</b>	<b>557 905</b>	<b>316 153</b>	<b>16 334 049</b>
Service charges	18 301	18 473	14 081	-	-
Finance income	-	-	-	-	124 173
Other income	-	-	-	-	93 515
Property rates	-	-	-	-	11 245 429
Fuel levy	-	-	-	-	2 666 726
Fines	80	4	157	10	1 158
Government grants and subsidies	410 496	1 099 220	543 667	316 143	2 202 436
Construction contracts	-	-	-	-	-
Public contributions	-	-	-	-	612
<b>Inter-segment revenue</b>	<b>427 986</b>	<b>1 611 190</b>	<b>2 600 239</b>	<b>724 779</b>	<b>3 269 431</b>
<b>TOTAL REVENUE</b>	<b>5 020 267</b>	<b>4 842 305</b>	<b>4 507 188</b>	<b>17 604 626</b>	<b>21 742 623</b>
<b>EXPENDITURE</b>	<b>3 180 923</b>	<b>2 744 692</b>	<b>2 785 202</b>	<b>14 445 462</b>	<b>9 704 203</b>



2023								
Community and public safety	Economic and environmental services	Inter-segment offsetting	TOTAL CITY OF CAPE TOWN	CTICC	CTS	Atlantis SEZ	Inter-company offsetting	TOTAL ECONOMIC ENTITY
9 909 749	15 795 005	-	66 030 087	560 651	2 647	-	(289 208)	66 304 177
375 562	105 532	-	20 416 991	335 993	21 174	-	(184 463)	20 589 695
<b>10 285 311</b>	<b>15 900 537</b>	-	<b>86 447 078</b>	<b>896 644</b>	<b>23 821</b>	-	<b>(473 671)</b>	<b>86 893 872</b>
857 674	304 244	-	12 244 597	-	-	-	-	12 244 597
1 010 876	1 397 439	-	12 478 340	137 571	24 878	-	(15 988)	12 624 801
<b>1 868 550</b>	<b>1 701 683</b>	-	<b>24 722 937</b>	<b>137 571</b>	<b>24 878</b>	-	<b>(15 988)</b>	<b>24 869 398</b>
<b>1 236 733</b>	<b>1 259 563</b>	-	<b>6 959 056</b>	<b>26 580</b>	-	-	-	<b>6 985 636</b>
<b>355 157</b>	<b>592 191</b>	-	<b>27 276 051</b>	<b>278 101</b>	<b>50 728</b>	-	<b>(61 677)</b>	<b>27 543 203</b>
67 253	428 258	-	24 295 205	28 076	10 423	-	(37 421)	24 296 283
203 367	782	-	420 355	120 604	28 572	-	-	569 531
4 118	15 172	-	1 735 432	5 595	1 607	-	-	1 742 634
296	41 214	-	41 517	-	-	-	-	41 517
14 337	-	-	276 684	-	-	-	-	276 684
64 289	105 898	-	420 167	123 826	10 126	-	(24 256)	529 863
1 497	867	-	86 691	-	-	-	-	86 691
<b>4 275 009</b>	<b>1 785 362</b>	-	<b>24 815 052</b>	-	<b>41 699</b>	-	<b>(45 746)</b>	<b>24 811 005</b>
-	1	-	50 856	-	-	-	-	50 856
-	-	-	124 173	-	-	-	-	124 173
-	316 181	-	409 696	-	8 503	-	(8 503)	409 696
-	-	-	11 245 429	-	-	-	(4 047)	11 241 382
-	-	-	2 666 726	-	-	-	-	2 666 726
1 974 236	8 774	-	1 984 419	-	-	-	-	1 984 419
2 007 237	1 411 415	-	7 990 614	-	-	-	-	7 990 614
284 904	-	-	284 904	-	-	-	-	284 904
8 632	48 991	-	58 235	-	33 196	-	(33 196)	58 235
<b>31 099</b>	<b>14 125</b>	<b>(8 678 849)</b>	-	-	-	-	-	-
<b>4 661 265</b>	<b>2 391 678</b>	<b>(8 678 849)</b>	<b>52 091 103</b>	<b>278 101</b>	<b>92 427</b>	-	<b>(107 423)</b>	<b>52 354 208</b>
<b>9 929 742</b>	<b>5 597 439</b>	-	<b>48 387 663</b>	<b>237 761</b>	<b>95 919</b>	-	<b>(109 302)</b>	<b>48 612 041</b>

## SEGMENT REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	Water management	Wastewater management	Waste management	Energy sources	Municipal governance and administration
Employee-related costs	1 204 115	687 114	1 069 292	1 114 654	4 464 164
Remuneration of councillors	-	-	-	-	166 895
Impairment	383 747	107 743	108 513	296 398	246 392
Collection costs	2 495	1 045	922	-	144 806
Depreciation and amortisation expense	263 652	247 101	78 694	416 082	848 791
Finance costs	-	-	57 196	-	711 748
Bulk purchases	286 137	-	-	11 812 159	-
Contracted services	89 660	704 276	766 536	205 500	137 762
Grants and subsidies paid	27 324	450	-	2 350	169 622
General expenses	923 698	996 948	704 027	597 995	2 811 563
Loss on disposal of PPE	95	15	22	324	2 460
<b>Inter-segment expenses</b>	<b>351 210</b>	<b>1 822 520</b>	<b>701 007</b>	<b>2 454 052</b>	<b>2 571 118</b>
<b>TOTAL EXPENDITURE</b>	<b>3 532 133</b>	<b>4 567 212</b>	<b>3 486 209</b>	<b>16 899 514</b>	<b>12 275 321</b>
<b>Surplus from operations</b>	<b>1 488 134</b>	<b>275 093</b>	<b>1 020 979</b>	<b>705 112</b>	<b>9 467 302</b>
Share of loss in associate	-	-	-	-	-
Taxation	-	-	-	-	-
Non-controlling interest	-	-	-	-	-
<b>NET SURPLUS FROM OPERATING</b>	<b>1 488 134</b>	<b>275 093</b>	<b>1 020 979</b>	<b>705 112</b>	<b>9 467 302</b>

2023			TOTAL CITY OF CAPE TOWN	CTICC	CTS	Atlantis SEZ	Inter- company offsetting	TOTAL ECONOMIC ENTITY
Community and public safety	Economic and environmental services	Inter- segment offsetting						
4 981 098	1 740 442	-	15 260 879	72 692	1 537	-	-	15 335 108
-	-	-	166 895	628	348	-	-	167 871
1 881 851	15 390	-	3 040 034	(29 072)	-	-	-	3 010 962
54 408	-	-	203 676	-	1 380	-	-	205 056
634 467	752 271	-	3 241 058	40 128	-	-	-	3 281 186
-	-	-	768 944	-	-	-	-	768 944
-	-	-	12 098 296	-	-	-	-	12 098 296
124 451	1 155 154	-	3 183 339	13 733	7 251	-	(368)	3 203 955
33 196	115 306	-	348 248	-	-	-	(33 196)	315 052
2 218 669	1 818 830	-	10 071 730	139 652	85 403	-	(75 738)	10 221 047
1 602	46	-	4 564	-	-	-	-	4 564
651 534	127 408	(8 678 849)	-	-	-	-	-	-
10 581 276	5 724 847	(8 678 849)	48 387 663	237 761	95 919	-	(109 302)	48 612 041
(5 920 011)	(3 333 169)	-	3 703 440	40 340	(3 492)	-	1 879	3 742 167
-	-	-	-	-	-	13 341	-	13 341
-	-	-	-	(19 173)	-	-	-	(19 173)
-	-	-	-	-	-	-	(5 776)	(5 776)
(5 920 011)	(3 333 169)	-	3 703 440	21 167	(3 492)	-	7 655	3 730 559

# SEGMENT REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	Water management	Wastewater management	Waste management	Energy sources	Municipal governance and administration
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
Non-current assets	6 886 020	6 328 874	1 609 498	10 156 957	13 214 547
Current assets	971 872	286 456	643 869	1 875 158	14 159 932
<b>TOTAL ASSETS</b>	<b>7 857 892</b>	<b>6 615 330</b>	<b>2 253 367</b>	<b>12 032 115</b>	<b>27 374 479</b>
<b>LIABILITIES</b>					
Non-current liabilities	275 061	256 585	876 709	694 195	9 035 491
Current liabilities	2 303 253	1 911 170	193 146	2 656 335	2 004 728
<b>TOTAL LIABILITIES</b>	<b>2 578 314</b>	<b>2 167 755</b>	<b>1 069 855</b>	<b>3 350 530</b>	<b>11 040 219</b>
<b>ADDITIONS TO PPE AND OTHER ASSETS</b>	<b>766 815</b>	<b>879 642</b>	<b>316 134</b>	<b>776 832</b>	<b>921 312</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>					
<b>REVENUE</b>					
<b>Exchange revenue</b>	<b>3 857 820</b>	<b>1 915 388</b>	<b>1 279 054</b>	<b>16 397 078</b>	<b>1 649 221</b>
Service charges	3 706 425	1 833 449	1 231 322	16 285 065	80 901
Rental of letting stock and facilities	176	15	-	31	198 273
Finance income	136 261	49 360	33 721	30 797	981 602
Licences and permits	-	-	-	-	4
Income from agency services	-	-	-	-	248 133
Other income	9 296	32 546	13 991	79 887	104 822
Gains on disposal of PPE	5 662	18	20	1 298	35 486
<b>Non-exchange revenue</b>	<b>1 120 408</b>	<b>322 250</b>	<b>560 026</b>	<b>268 750</b>	<b>14 999 790</b>
Service charges	10 769	12 397	12 612	-	-
Finance income	-	-	-	-	99 174
Other income	-	-	-	-	-
Property rates	-	-	-	-	10 358 743
Fuel levy	-	-	-	-	2 608 900
Fines	11 835	-	89	9	1 171
Government grants and subsidies	1 097 804	309 853	547 325	268 741	1 931 538
Construction contracts	-	-	-	-	-
Public contributions	-	-	-	-	264
<b>Inter-segment revenue</b>	<b>1 072 702</b>	<b>1 792 856</b>	<b>2 737 357</b>	<b>795 650</b>	<b>3 003 928</b>
<b>TOTAL REVENUE</b>	<b>6 050 930</b>	<b>4 030 494</b>	<b>4 576 437</b>	<b>17 461 478</b>	<b>19 652 939</b>
<b>EXPENDITURE</b>	<b>3 124 756</b>	<b>2 283 355</b>	<b>2 640 087</b>	<b>13 888 381</b>	<b>8 830 465</b>

2022								
Community and public safety	Economic and environmental services	Inter-segment offsetting	TOTAL CITY OF CAPE TOWN	CTICC	CTS	Atlantis SEZ	Inter-company offsetting	TOTAL ECONOMIC ENTITY
10 463 669	14 816 329	-	63 475 894	564 503	2 435	-	(302 337)	63 740 495
373 902	78 209	-	18 389 398	277 636	24 434	-	(190 325)	18 501 143
<b>10 837 571</b>	<b>14 894 538</b>	-	<b>81 865 292</b>	<b>842 139</b>	<b>26 869</b>	-	<b>(492 662)</b>	<b>82 241 638</b>
1 116 180	397 670	-	12 651 891	-	-	-	-	12 651 891
941 513	1 182 555	-	11 192 700	104 232	24 434	-	(19 758)	11 301 608
<b>2 057 693</b>	<b>1 580 225</b>	-	<b>23 844 591</b>	<b>104 232</b>	<b>24 434</b>	-	<b>(19 758)</b>	<b>23 953 499</b>
1 208 542	772 956	-	5 642 233	10 374	-	-	-	5 652 607
<b>394 034</b>	<b>473 696</b>	-	<b>25 966 291</b>	<b>99 657</b>	<b>48 721</b>	-	<b>(81 246)</b>	<b>26 033 423</b>
56 607	332 261	-	23 526 030	17 476	12 802	-	(29 962)	23 526 346
183 932	220	-	382 647	39 504	32 730	-	-	454 881
4 750	11 431	-	1 247 922	1 558	82	-	-	1 249 562
67	39 939	-	40 010	-	-	-	-	40 010
13 961	-	-	262 094	-	-	-	-	262 094
77 249	89 610	-	407 401	41 119	3 107	-	(23 160)	428 467
57 468	235	-	100 187	-	-	-	(28 124)	72 063
<b>4 113 507</b>	<b>1 414 701</b>	-	<b>22 799 432</b>	<b>-</b>	<b>50 022</b>	-	<b>(49 877)</b>	<b>22 799 577</b>
-	-	-	35 778	-	-	-	-	35 778
-	-	-	99 174	-	-	-	-	99 174
300	293 085	-	293 385	-	8 107	-	(8 107)	293 385
-	-	-	10 358 743	-	-	-	145	10 358 888
-	-	-	2 608 900	-	-	-	-	2 608 900
1 900 548	12 438	-	1 926 090	-	-	-	-	1 926 090
1 923 020	1 102 968	-	7 181 249	-	-	-	-	7 181 249
282 031	-	-	282 031	-	-	-	-	282 031
7 608	6 210	-	14 082	-	41 915	-	(41 915)	14 082
<b>304 261</b>	<b>27 377</b>	<b>(9 734 131)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4 811 802</b>	<b>1 915 774</b>	<b>(9 734 131)</b>	<b>48 765 723</b>	<b>99 657</b>	<b>98 743</b>	<b>-</b>	<b>(131 123)</b>	<b>48 833 000</b>
<b>9 780 749</b>	<b>5 314 745</b>	<b>-</b>	<b>45 862 538</b>	<b>43 719</b>	<b>98 317</b>	<b>-</b>	<b>(104 933)</b>	<b>45 899 641</b>

# SEGMENT REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	Water management	Wastewater management	Waste management	Energy sources	Municipal governance and administration
Employee-related costs	1 233 404	622 963	1 082 053	1 168 775	4 515 677
Remuneration of councillors	-	-	-	-	157 473
Impairment	339 371	137 868	118 274	112 660	211 011
Collection costs	2 026	821	715	-	152 804
Depreciation and amortisation expense	298 185	197 538	63 724	396 067	680 190
Finance costs	-	-	38 541	-	733 085
Bulk purchases	277 900	-	-	11 561 609	-
Contracted services	76 191	638 617	743 828	163 506	104 744
Grants and subsidies paid	27 346	-	-	775	171 696
General expenses	869 544	685 524	592 907	484 843	2 101 165
Loss on disposal of PPE	789	24	45	146	2 620
<b>Inter-segment expenses</b>	<b>1 626 755</b>	<b>1 415 967</b>	<b>1 019 852</b>	<b>2 406 834</b>	<b>2 276 716</b>
<b>TOTAL EXPENDITURE</b>	<b>4 751 511</b>	<b>3 699 322</b>	<b>3 659 939</b>	<b>16 295 215</b>	<b>11 107 181</b>
<b>Surplus from operations</b>	<b>4 751 511</b>	<b>3 699 322</b>	<b>3 659 939</b>	<b>16 295 215</b>	<b>11 107 181</b>
Share of deficit in associate	-	-	-	-	-
Taxation	-	-	-	-	-
Non-controlling interest	-	-	-	-	-
<b>NET SURPLUS FROM OPERATING</b>	<b>4 751 511</b>	<b>3 699 322</b>	<b>3 659 939</b>	<b>16 295 215</b>	<b>11 107 181</b>

**2022**

Community and public safety	Economic and environmental services	Inter-segment offsetting	TOTAL CITY OF CAPE TOWN	CTICC	CTS	Atlantis SEZ	Inter-company offsetting	TOTAL ECONOMIC ENTITY
4 924 596	1 706 421	-	15 253 889	54 470	1 432	-	-	15 309 791
-	-	-	157 473	603	335	-	-	158 411
1 942 987	11 007	-	2 873 178	(127 797)	-	-	-	2 745 381
55 351	145	-	211 862	-	1 370	-	-	213 232
617 156	773 301	-	3 026 161	39 391	-	-	-	3 065 552
-	-	-	771 626	-	-	-	-	771 626
-	-	-	11 839 509	-	-	-	-	11 839 509
113 846	1 046 628	-	2 887 360	2 637	7 808	-	(350)	2 897 455
41 915	125 626	-	367 358	-	-	-	(41 915)	325 443
2 083 613	1 651 262	-	8 468 858	74 415	87 372	-	(62 668)	8 567 977
1 285	355	-	5 264	-	-	-	-	5 264
<b>873 072</b>	<b>114 935</b>	<b>(9 734 131)</b>	-	-	-	-	-	-
<b>10 653 821</b>	<b>5 429 680</b>	<b>(9 734 131)</b>	<b>45 862 538</b>	<b>43 719</b>	<b>98 317</b>	-	<b>(104 933)</b>	<b>45 899 641</b>
<b>10 653 821</b>	<b>5 429 680</b>	-	<b>2 903 185</b>	<b>55 938</b>	<b>426</b>	-	<b>(26 190)</b>	<b>2 933 359</b>
-	-	-	-	-	-	(343)	-	(343)
-	-	-	-	(49 600)	-	-	-	(49 600)
-	-	-	-	-	-	-	(1 756)	(1 756)
<b>10 653 821</b>	<b>5 429 680</b>	-	<b>2 903 185</b>	<b>6 338</b>	<b>426</b>	-	<b>(24 434)</b>	<b>2 881 660</b>

# SEGMENT REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

## DESCRIPTION OF SEGMENTS AND PRINCIPAL ACTIVITIES

The following summary describes the principal activities and operations of each reportable segment.

REPORTABLE SEGMENTS	PRINCIPAL ACTIVITIES AND OPERATIONS
<b>Water management</b>	Providing residents, business and industry with clean, safe and reliable drinking water. This entails many diverse activities, from the management of water catchment areas and water storage, to distribution.
<b>Wastewater management</b>	Treating wastewater and safely disposing of it back into the environment.
<b>Waste management</b>	Collecting and disposing of waste in a safe manner, as required by legislation. Ensuring the general cleanliness of the city's streets, public spaces, beaches and rivers.
<b>Energy sources</b>	Distributing electricity to residential, commercial and industrial customers in Cape Town, and providing the link between Eskom and electricity consumers. Constructing and maintaining the equipment that transforms the power supply for consumers' needs.
<b>Municipal governance and administration</b>	All aspects of governance and the centralised financial administration of the City. Various transactions are managed and administered centrally.
<b>Community and public safety</b>	Community and social services, sport and recreation facilities, crime prevention, traffic enforcement, public housing and health. These activities are performed by various departments with aligned objectives.
<b>Economic and environmental services</b>	Urban planning and development, transport, road maintenance and environmental protection. These activities are performed by various departments with aligned objectives.
<b>CTICC</b>	Providing facilities to host conferences and conventions, with the objective of promoting Cape Town as a tourism city.
<b>CTS</b>	Managing and operating Cape Town Stadium on behalf of the City. The vision is to provide a world-class facility for the hosting of major sports events and become the premium venue of choice.

## CENTRALLY INCURRED ASSETS, LIABILITIES, REVENUE AND EXPENDITURE

Value-added tax (VAT), cash, investments, borrowings and unspent grants have not been allocated to individual segments, as these are managed centrally by the City's Treasury Department. Similarly, external interest relating to cash, investments or borrowings is not allocated to individual segments. All these items are allocated to the "Municipal governance and administration" segment.





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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 1. FINANCIAL RISK MANAGEMENT

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the Entity's operations. This note presents information about the Entity's exposure to each of the above risks, the policies and processes for measuring and managing risk, as well as the Entity's management of capital. Further quantitative disclosures are included throughout these financial statements.

The accounting policy for financial instruments was applied to the following statement of financial position items:

	ECONOMIC ENTITY			
	Amortised cost	Fair value	Total carrying amount	Fair value
<b>2023</b>				
<b>Financial assets</b>				
Investments	2 965 088	6 800 285	9 765 373	9 736 315
Long-term receivables	1 308	-	1 308	1 308
Contractual receivables	4 115 250	-	4 115 250	4 115 250
Cash and cash equivalents	7 124 721	1 095 132	8 219 853	8 219 853
<b>TOTAL</b>	<b>14 206 367</b>	<b>7 895 417</b>	<b>22 101 784</b>	<b>22 072 726</b>
<b>Statutory assets</b>				
Receivables	<b>3 213 757</b>	-	<b>3 213 757</b>	<b>3 213 757</b>
<b>2022</b>				
<b>Financial assets</b>				
Investments	3 585 555	5 670 641	9 256 196	9 290 760
Long-term receivables	4 488	-	4 488	4 488
Contractual receivables	4 206 168	-	4 206 168	4 206 168
Cash and cash equivalents	7 195 882	1 155 514	8 351 396	8 351 396
<b>TOTAL</b>	<b>14 992 093</b>	<b>6 826 155</b>	<b>21 818 248</b>	<b>21 852 812</b>
<b>Statutory assets</b>				
Receivables	<b>2 663 718</b>	-	<b>2 663 718</b>	<b>2 663 718</b>

## 1. FINANCIAL RISK MANAGEMENT (CONTINUED)

	CITY OF CAPE TOWN				
	Amortised cost	Fair value	Cost	Total carrying amount	Fair value
<b>2023</b>					
<b>Financial assets</b>					
Investments	2 965 088	6 800 285	327 935	10 093 308	10 064 250
Long-term receivables	1 308	-	-	1 308	1 308
Contractual receivables	4 055 427	-	-	4 055 427	4 055 427
Cash and cash equivalents	7 015 649	1 095 132	-	8 110 781	8 110 781
<b>TOTAL</b>	<b>14 037 472</b>	<b>7 895 417</b>	<b>327 935</b>	<b>22 260 824</b>	<b>22 231 766</b>
<b>Statutory assets</b>					
Receivables	3 216 974	-	-	3 216 974	3 216 974
<b>2022</b>					
<b>Financial assets</b>					
Investments	3 585 555	5 670 641	327 935	9 584 131	9 618 695
Long-term receivables	4 488	-	-	4 488	4 488
Contractual receivables	4 152 932	-	-	4 152 932	4 152 932
Cash and cash equivalents	7 139 629	1 155 514	-	8 295 143	8 295 143
<b>TOTAL</b>	<b>14 882 604</b>	<b>6 826 155</b>	<b>327 935</b>	<b>22 036 694</b>	<b>22 071 258</b>
<b>Statutory assets</b>					
Receivables	2 666 026	-	-	2 666 026	2 666 026

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 1. FINANCIAL RISK MANAGEMENT (CONTINUED)

	ECONOMIC ENTITY		
	Amortised cost	Total carrying amount	Fair value
<b>2023</b>			
<b>Non-derivative financial liabilities</b>			
Borrowings	7 349 660	7 349 660	7 288 882
Payables	6 302 969	6 302 969	6 302 969
<b>TOTAL</b>	<b>13 652 629</b>	<b>13 652 629</b>	<b>13 591 851</b>
<b>2022</b>			
<b>Non-derivative financial liabilities</b>			
Borrowings	6 647 185	6 647 185	6 768 211
Payables	5 647 990	5 647 990	5 647 990
<b>TOTAL</b>	<b>12 295 175</b>	<b>12 295 175</b>	<b>12 416 201</b>
<b>Derivative financial liabilities</b>			
Forward exchange contracts	54	54	54

	CITY OF CAPE TOWN		
	Amortised cost	Total carrying amount	Fair value
<b>2023</b>			
<b>Non-derivative financial liabilities</b>			
Borrowings	7 349 660	7 349 660	7 288 882
Payables	6 250 815	6 250 815	6 250 815
<b>TOTAL</b>	<b>13 600 475</b>	<b>13 600 475</b>	<b>13 539 697</b>
<b>2022</b>			
<b>Non-derivative financial liabilities</b>			
Borrowings	6 647 185	6 647 185	6 768 211
Payables	5 615 706	5 615 706	5 615 706
<b>TOTAL</b>	<b>12 262 891</b>	<b>12 262 891</b>	<b>12 383 917</b>
<b>Derivative financial liabilities</b>			
Forward exchange contracts	54	54	54

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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 1. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 1.1 FAIR VALUES

The following table analyses financial instruments carried at fair value at the end of the reporting period, by level of fair-value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments, and have been defined as follows:

**Level 1:** Fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

**Level 2:** Fair values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

**Level 3:** Fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments, where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



## 1. FINANCIAL RISK MANAGEMENT (CONTINUED)

	ECONOMIC ENTITY			
	Level 1	Level 2	Level 3	Total
<b>2023</b>				
<b>Financial assets</b>				
Investments	2 549 121	4 251 164	-	6 800 285
Cash and cash equivalents	-	1 095 132	-	1 095 132
<b>TOTAL</b>	<b>2 549 121</b>	<b>5 346 296</b>	<b>-</b>	<b>7 895 417</b>
<b>Financial liabilities</b>				
Borrowings	7 349 660	-	-	7 349 660
<b>2022</b>				
<b>Financial assets</b>				
Investments	2 303 059	3 367 582	-	5 670 641
Cash and cash equivalents	-	1 155 514	-	1 155 514
<b>TOTAL</b>	<b>2 303 059</b>	<b>4 523 096</b>	<b>-</b>	<b>6 826 155</b>
<b>Financial liabilities</b>				
Borrowings	6 647 185	-	-	6 647 185
<b>Derivative financial liabilities</b>				
Forward exchange contracts	54	-	-	54
	CITY OF CAPE TOWN			
	Level 1	Level 2	Level 3	Total
<b>2023</b>				
<b>Financial assets</b>				
Investments	2 549 121	4 251 164	-	6 800 285
Cash and cash equivalents	-	1 095 132	-	1 095 132
<b>TOTAL</b>	<b>2 549 121</b>	<b>5 346 296</b>	<b>-</b>	<b>7 895 417</b>
<b>Financial liabilities</b>				
Borrowings	7 349 660	-	-	7 349 660
<b>2022</b>				
<b>Financial assets</b>				
Investments	2 303 059	3 367 582	-	5 670 641
Cash and cash equivalents	-	1 155 514	-	1 155 514
<b>TOTAL</b>	<b>2 303 059</b>	<b>4 523 096</b>	<b>-</b>	<b>6 826 155</b>
<b>Financial liabilities</b>				
Borrowings	6 647 185	-	-	6 647 185
<b>Derivative financial liabilities</b>				
Forward exchange contracts	54	-	-	54

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 1. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 1.2 LIQUIDITY RISK

Liquidity risk is the risk of the Entity not being able to meet its obligations as they fall due. The Entity's approach to managing liquidity risk is to ensure that sufficient cash is available to meet its expected operating expenses and liabilities when due, without incurring unacceptable losses or risking damage to the Entity's reputation. This is achieved by using cash flow forecasts.

The following are contractual liabilities of which interest is included in borrowings:

	ECONOMIC ENTITY			
	Up to 1 year	1-5 years	>5 years	Total
<b>2023</b>				
<b>Non-derivative financial liabilities</b>				
Borrowings	2 452 021	5 172 700	2 785 275	10 409 996
Capital repayments	1 718 820	3 798 148	1 832 692	7 349 660
Interest	733 201	1 374 552	952 583	3 060 336
Payables	6 302 969	-	-	6 302 969
<b>TOTAL</b>	<b>8 754 990</b>	<b>5 172 700</b>	<b>2 785 275</b>	<b>16 712 965</b>

	CITY OF CAPE TOWN			
	Up to 1 year	1-5 years	>5 years	Total
<b>2023</b>				
<b>Non-derivative financial liabilities</b>				
Borrowings	2 452 021	5 172 700	2 785 275	10 409 996
Capital repayments	1 718 820	3 798 148	1 832 692	7 349 660
Interest	733 201	1 374 552	952 583	3 060 336
Payables	6 250 815	-	-	6 250 815
<b>TOTAL</b>	<b>8 702 836</b>	<b>5 172 700</b>	<b>2 785 275</b>	<b>16 660 811</b>



# 1. FINANCIAL RISK MANAGEMENT (CONTINUED)

## 1.3 CREDIT RISK

Credit risk is the risk of financial loss to the Entity if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from the Entity's investments, receivables, and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June was as follows:

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Financial assets</b>	<b>22 101 784</b>	<b>21 818 248</b>	<b>21 932 889</b>	<b>21 708 759</b>
Investments	9 765 373	9 256 196	9 765 373	9 256 196
Long-term receivables – see note 7	1 308	4 488	1 308	4 488
Contractual receivables	4 115 250	4 206 168	4 055 427	4 152 932
Cash and cash equivalents	8 219 853	8 351 396	8 110 781	8 295 143
<b>Statutory assets</b>				
Receivables	3 213 757	2 663 718	3 216 974	2 666 026
<b>TOTAL</b>	<b>25 315 541</b>	<b>24 481 966</b>	<b>25 149 863</b>	<b>24 374 785</b>

## INVESTMENTS, AND CASH AND CASH EQUIVALENTS

The Entity limits its exposure to credit risk by investing with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with Council's approved investment policy. Consequently, the Entity does not consider there to be any significant exposure to credit risk.

## LONG-TERM RECEIVABLES

Loans were granted and are managed in accordance with policies and regulations as set out in note 7. The associated interest rates and repayments are clearly defined and, where appropriate, the Entity obtains certain suitable forms of security when granting loans. Allowances for impairment are made in certain instances. No further loans have been awarded.

## RECEIVABLES

Receivables are amounts owing by consumers, and are presented net of impairment losses. The Entity has a credit risk policy in place, and the exposure to credit risk is monitored on an ongoing basis. The Entity is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services, without recourse to an assessment of creditworthiness. The objectives, policies and processes for managing and measuring the Entity's risk during the year in review have remained stable, apart from the discontinuation of water management devices that control water flow. The Entity's strategy for managing risk is inherent in its credit control and debt collection as well as tariff policy measures, which include encouraging residents to install prepaid electricity meters. In certain instances, a deposit is required for new service connections.

The Entity's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. The Entity has no significant concentration of credit risk, with exposure spread over multiple consumers and not concentrated in any particular sector or geographic area. The Entity establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The outstanding amounts of the ten largest trade debtors represent R238,42 million (2022: R193,88 million). The average credit period on services rendered is 30 days from date of invoice. Interest is raised at prime plus 1% on any unpaid accounts after the due date. Receivables are provided for based on estimated irrecoverable amounts, as explained in the accounting policy. Additional information relating to the analysis of receivables is given in note 9.

Payments on accounts of consumer debtors who are unable to pay due to an adverse change in their circumstances are renegotiated as part of an ongoing customer relationship. Traffic fines can be disputed in writing, which can lead to a renegotiated fine.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 1.4 CAPITAL MANAGEMENT

The primary objective of managing the Entity's capital is to ensure that there is sufficient cash available to support the Entity's funding requirements, including capital expenditure, so that the Entity remains financially sound. This is done by means of the following key ratios:

- **Cost coverage ratio**, which is used to calculate the Entity's ability to meet its monthly operating commitments from cash and short-term investments without collecting any additional revenue during that month.
- **Net-debt-to-income ratio**, which is used to determine the affordability of total borrowings to be funded from operating revenue.

### 1.5 PRICE RISK

The Entity is exposed to price risk because of investments held by the Entity and classified as financial instruments carried at fair value. The Entity is not exposed to commodity price risk. To manage its price risk arising from investments, the Entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Entity. The exposure to price risk is not material to the Entity and, consequently, is not elaborated on any further.

### 1.6 MARKET RISK

Market risk is the risk that changes in market prices such as interest rates and foreign-exchange rates may affect the Entity's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on the risk.

#### 1.6.1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The Entity's exposure to the risk of changes in market rates relates primarily to the Entity's investments with floating interest rates.

The effective rates on financial instruments as at 30 June 2023 were as follows:

#### MATURITY OF INTEREST-BEARING ASSETS/LIABILITIES

	ECONOMIC ENTITY				Total
	Weighted average interest rate %	1 year or less	1-5 years	>5 years	
<b>Financial assets</b>					
Investments	7,89	5 470 217	5 301 064	89 224	10 860 505
Cash and cash equivalents	8,44	7 124 721	-	-	7 124 721
<b>TOTAL</b>		<b>12 594 938</b>	<b>5 301 064</b>	<b>89 224</b>	<b>17 985 226</b>
<b>Financial liabilities</b>					
Borrowings	10,27	1 718 820	3 798 148	1 832 692	7 349 660

# 1. FINANCIAL RISK MANAGEMENT (CONTINUED)

## 1.6 MARKET RISK (CONTINUED)

	CITY OF CAPE TOWN				Total
	Weighted average interest rate %	1 year or less	1–5 years	>5 years	
<b>Financial assets</b>					
Investments	7,89	5 470 217	5 301 064	89 224	10 860 505
Cash and cash equivalents	8,44	7 015 649	-	-	7 015 649
<b>TOTAL</b>		<b>12 485 866</b>	<b>5 301 064</b>	<b>89 224</b>	<b>17 876 154</b>
<b>Financial liabilities</b>					
Borrowings	10,27	1 718 820	3 798 148	1 832 692	7 349 660

### SENSITIVITY ANALYSIS

#### Financial assets

As at 30 June 2023, if the weighted average interest rate at that date had been 100 basis points higher, with all other variables held constant, the fair-value impact on the statement of financial performance would have been R182,04 million (2022: R177,72 million), with the opposite effect if the interest rate had been 100 basis points lower. The sensitivity analysis is performed by dividing the total investment interest earned for the year by the average interest rate earned to give the effect of a 1% movement in interest rates.

#### Financial liabilities

Changes in the interest rate as at 30 June 2023 would have had no impact on the statement of financial performance, as all borrowings are at a fixed interest rate.

### 1.6.2 CURRENCY RISK

The Entity is exposed to foreign-currency risk through the importation of goods and services, either directly or indirectly, through the award of contracts to local importers. The Entity manages any material direct exposure to foreign-currency risk by entering into forward exchange contracts. The Entity manages its indirect exposure by requiring the local importer to take out a forward exchange contract at the time of procurement so as to predetermine the rand value of the contracted goods or services.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 2. PROPERTY, PLANT AND EQUIPMENT

	ECONOMIC ENTITY					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	6 631 233	(2 339 027)	4 292 206	6 491 169	(2 278 563)	4 212 606
Infrastructure	59 950 037	(19 500 212)	40 449 825	54 766 782	(17 869 128)	36 897 654
Community	5 637 906	(1 998 328)	3 639 578	5 520 732	(1 874 450)	3 646 282
Other	14 212 705	(8 145 343)	6 067 362	13 236 285	(7 369 862)	5 866 423
Living resources	1 088	(882)	206	1 167	(784)	383
Service concession	6 336 966	(3 318 665)	3 018 301	6 325 602	(3 089 834)	3 235 768
Housing rental stock	3 436 277	(1 463 570)	1 972 707	3 364 951	(1 364 750)	2 000 201
<b>TOTAL</b>	<b>96 206 212</b>	<b>(36 766 027)</b>	<b>59 440 185</b>	<b>89 706 688</b>	<b>(33 847 371)</b>	<b>55 859 317</b>

### RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	Carrying value
<b>AS AT 30 JUNE 2023</b>							
Land and buildings	4 212 606	71 100	120 467	(29 881)	(97 196)	15 110	4 292 206
Infrastructure	36 897 654	133 895	5 051 478	(788)	(1 632 414)	(365)	40 449 825
Community	3 646 282	(3 256)	118 562	-	(121 645)	(811)	3 639 578
Other	5 866 423	(273 869)	1 449 867	(19 689)	(954 559)	-	6 067 362
Living resources	383	-	2	(10)	(169)	(3 228)	206
Service concession	3 235 768	-	11 545	-	(225 784)	-	3 018 301
Housing rental stock	2 000 201	5 006	76 690	(1 579)	(107 611)	-	1 972 707
<b>TOTAL</b>	<b>55 859 317</b>	<b>(67 124)</b>	<b>6 828 611</b>	<b>(51 947)</b>	<b>(3 139 378)</b>	<b>10 706</b>	<b>59 440 185</b>

(See annexure B for more details.)

#### As at 30 June 2022

Land and buildings	3 828 124	131 128	239 639	(99)	(88 525)	102 339	4 212 606
Infrastructure	34 919 302	(219 688)	3 688 482	(1 333)	(1 486 188)	(2 921)	36 897 654
Community	3 545 782	(3 270)	221 549	(107)	(117 672)	-	3 646 282
Other	5 355 485	55 340	1 362 376	(26 609)	(878 161)	(2 008)	5 866 423
Living resources	576	-	-	(1)	(192)	-	383
Service concession	3 464 623	(17)	945	(4 102)	(225 681)	-	3 235 768
Housing rental stock	2 066 849	5 735	34 937	(661)	(106 659)	-	2 000 201
<b>TOTAL</b>	<b>53 180 741</b>	<b>(30 772)</b>	<b>5 547 928</b>	<b>(32 912)</b>	<b>(2 903 078)</b>	<b>97 410</b>	<b>55 859 317</b>

## 2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CITY OF CAPE TOWN						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	5 203 457	(1 307 785)	3 895 672	5 052 043	(1 221 564)	3 830 479
Infrastructure	59 950 037	(19 500 212)	40 449 825	54 766 782	(17 869 128)	36 897 654
Community	5 637 906	(1 998 328)	3 639 578	5 520 732	(1 874 450)	3 646 282
Other	14 001 658	(7 986 997)	6 014 661	13 034 023	(7 217 750)	5 816 273
Living resources	1 088	(882)	206	1 167	(784)	383
Service concession	6 336 966	(3 318 665)	3 018 301	6 325 602	(3 089 834)	3 235 768
Housing rental stock	3 436 277	(1 463 570)	1 972 707	3 364 951	(1 364 750)	2 000 201
<b>TOTAL</b>	<b>94 567 389</b>	<b>(35 576 439)</b>	<b>58 990 950</b>	<b>88 065 300</b>	<b>(32 638 260)</b>	<b>55 427 040</b>

### RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	Carrying value
<b>AS AT 30 JUNE 2023</b>							
Land and buildings	3 830 479	71 100	111 018	(29 754)	(73 110)	(14 061)	3 895 672
Infrastructure	36 897 654	133 895	5 051 478	(788)	(1 632 414)	-	40 449 825
Community	3 646 282	(3 256)	118 562	-	(121 645)	(365)	3 639 578
Other	5 816 273	(273 869)	1 434 840	(19 514)	(942 258)	(811)	6 014 661
Living resources	383	-	2	(10)	(169)	-	206
Service concession	3 235 768	-	11 545	-	(225 784)	(3 228)	3 018 301
Housing rental stock	2 000 201	5 006	76 690	(1 579)	(107 611)	-	1 972 707
<b>TOTAL</b>	<b>55 427 040</b>	<b>(67 124)</b>	<b>6 804 135</b>	<b>(51 645)</b>	<b>(3 102 991)</b>	<b>(18 465)</b>	<b>58 990 950</b>

(See annexure B for more details.)

#### As at 30 June 2022

Land and buildings	3 557 569	131 128	234 424	(19)	(67 210)	(25 413)	3 830 479
Infrastructure	34 919 302	(219 688)	3 688 482	(1 333)	(1 486 188)	(2 921)	36 897 654
Community	3 545 782	(3 270)	221 549	(107)	(117 672)	-	3 646 282
Other	5 291 851	55 340	1 360 847	(26 545)	(863 212)	(2 008)	5 816 273
Living resources	576	-	-	(1)	(192)	-	383
Service concession	3 464 623	(17)	945	(4 102)	(225 681)	-	3 235 768
Housing rental stock	2 066 849	5 735	34 937	(661)	(106 659)	-	2 000 201
<b>TOTAL</b>	<b>52 846 552</b>	<b>(30 772)</b>	<b>5 541 184</b>	<b>(32 768)</b>	<b>(2 866 814)</b>	<b>(30 342)</b>	<b>55 427 040</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### ASSETS UNDER CONSTRUCTION

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Carrying value</b>				
Land and buildings	2 711	1 438	-	-
Infrastructure	5 054 844	3 526 167	5 054 844	3 526 167
Community	74 666	77 815	74 666	77 815
Other	283 365	457 065	283 365	457 065
Service concession	228	-	228	-
<b>TOTAL</b>	<b>5 415 814</b>	<b>4 062 485</b>	<b>5 413 103</b>	<b>4 061 047</b>
<b>PPE projects</b>				
<b>Significantly delayed</b>				
Infrastructure <sup>1</sup>	365 135	382 091	365 135	382 091
Community	1 279	-	1 279	-
Other	2 191	-	2 191	-
<b>TOTAL</b>	<b>368 605</b>	<b>382 091</b>	<b>368 605</b>	<b>382 091</b>
The significant delays in the current year mainly relate to delays in the completion of work at various informal settlements and housing projects worth R269,42 million, the new Hout Bay and Noordhoek low-voltage depots worth R37,29 million, and the extension of the Vissershok landfill site worth R38,66 million.				
<sup>1</sup> Comparative amount: "Infrastructure" includes amounts previously reported under "Other" and "Community".				
<b>Halted</b>				
Infrastructure	157 598	78 482	157 598	78 482
Community	359	359	359	359
Other <sup>1</sup>	19 037	8 294	19 037	8 294
<b>TOTAL</b>	<b>176 994</b>	<b>87 135</b>	<b>176 994</b>	<b>87 135</b>
The halted projects in the current year mainly relate to civil unrest at informal settlements and housing projects worth R149,91 million, and the unavailability of funds to complete the Events Support online application system worth R19,04 million.				
<sup>1</sup> Comparative amount: "Other" amount previously reported under "Community".				

### CAPITAL COMMITMENTS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Approved and contracted-for capital expenditure</b>				
Infrastructure	9 257 528	2 562 037	9 257 528	2 562 037
Community	21 448	11 033	21 448	11 033
Other	86 310	80 066	81 677	79 910
<b>TOTAL</b>	<b>9 365 286</b>	<b>2 653 136</b>	<b>9 360 653</b>	<b>2 652 980</b>

## 2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### REPAIRS AND MAINTENANCE

An amount of R3,70 billion (2022: R3,12 billion) was spent during the year in review. In determining this amount, the Entity has exclusively disclosed amounts charged by service providers.

### RESIDUAL VALUE

During the current financial year, the Entity reviewed the estimated useful lives and residual values of PPE, where appropriate – see note 37.

### IMPAIRMENT OF NON-CASH-GENERATING ASSETS

The recoverable amount of impaired assets is R26,28 million (2022: R90,96 million). Impairment losses arise mainly from damage to movable and immovable assets due to accidents and protest actions.

### LIVING RESOURCES

A living resource is an animal that the City uses to deliver a mandated service.

### NON-LIVING RESOURCES

The Entity is responsible for the following non-living resources that do not meet the definition of an asset:

- Water in dams and reservoirs: Once treated, water is disclosed as inventory in note 8, and revenue for the sale of treated water is disclosed as service charges in note 19.
- Nature reserves, parks and the coastline: The entrance fees for these areas are not material.

### SERVICE CONCESSION ASSETS

The City has made service concession arrangements with three operators on the MyCiTi integrated rapid transit (IRT) system as well as with the CTS. The assets involved are IRT buses, related depots and CTS. However, the City does retain full control over the nature and extent of the services that the operators must perform.

### IMPAIRMENT OF CASH-GENERATING ASSETS

The value-in-use amount of R380,3 million (2022: R388,9 million) for the CTICC 1 and CTICC 2 buildings combined exceeded the current carrying value of R351,1 million (2022: R261,2 million) for the relevant assets in that cash-generating unit. As a result, an impairment reversal of R29,1 million (2022: R127,8 million impairment loss) was recognised at the reporting date.

Significant assumptions applied in arriving at the value-in-use are set out below:

- (a) The restrictions imposed on the use of the facility and site in terms of the lease agreement and the memorandum of incorporation.
- (b) The lack of an active market between a willing buyer and a willing seller, through an arm's-length transaction, based on which to determine the value of the convention centre.
- (c) As a result of the above, the value-in-use of the cash-generating unit can only be attributed to the present value of the future cash flows generated through the convention centre itself. The recovery of operations following the lifting of the Covid-19 lockdown regulations has had a positive impact on current and future cash flows from the cash-generating unit and potentially points to an impairment reversal.
- (d) No residual value could be attached to the convention centre at the end of its useful life due to its disposal being highly unlikely, with no reliable basis for measuring the disposal value.
- (e) The value-in-use was estimated using a discounted flow model that incorporated approved budget figures for a three-year projection period. Cash flows were forecast for an additional four years, assuming revenue growth of 5,5–6,0% (2022: 6,0–6,5%) as a result of the lower base brought about by the Covid-19 lockdown restrictions.
- (f) A discount rate of 14,74% (2022: 14,29%) was used. This was calculated using the risk-free rate of 10,51% (2022: 10,58%) associated with the ten-year government bond, adjusted by 4,23 (2022: 3,71) percentage points to take into account the company's long-term borrowing cost of 9,75% (2022: 6,25%), a beta coefficient of 0,76 (2022: 0,76), as well as a market risk premium of 6,10% (2022: 6,10%) for uncertainty regarding the timing and extent of future cash flows.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 3. HERITAGE ASSETS

	ECONOMIC ENTITY					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Paintings and museum items	10 268	-	10 268	10 268	-	10 268

#### RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Carrying value
<b>AS AT 30 JUNE 2023</b>					
Paintings and museum items (See annexure B for more details.)	10 268	-	-	-	10 268
<b>As at 30 June 2022</b>					
Paintings and museum items	10 268	-	-	-	10 268

Heritage assets are held at cost, as it is impracticable to determine their fair value.

	CITY OF CAPE TOWN					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Paintings and museum items	10 268	-	10 268	10 268	-	10 268

#### RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Carrying value
<b>AS AT 30 JUNE 2023</b>					
Paintings and museum items (See annexure B for more details.)	10 268	-	-	-	10 268
<b>As at 30 June 2022</b>					
Paintings and museum items	10 269	-	-	-	10 268





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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 4. INVESTMENT PROPERTY

	ECONOMIC ENTITY					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	642 643	(66 537)	576 106	642 643	(64 823)	577 820

### RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Disposals	Carrying value
<b>AS AT 30 JUNE 2023</b>						
Land and buildings	577 820	-	-	(1 714)	-	576 106

(See annexure B for more details.)

### As at 30 June 2022

Land and buildings	579 534	-	-	(1 714)	-	577 820
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	CITY OF CAPE TOWN					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	642 643	(66 537)	576 106	642 643	(64 823)	577 820

### RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Disposals	Carrying value
<b>AS AT 30 JUNE 2023</b>						
Land and buildings	577 820	-	-	(1 714)	-	576 106

(See annexure B for more details.)

### As at 30 June 2022

Land and buildings	579 534	-	-	(1 714)	-	577 820
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## 4. INVESTMENT PROPERTY (CONTINUED)

### CAPITAL COMMITMENTS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Approved and contracted-for capital expenditure</b>				
Buildings	-	12 067	-	12 067
<b>TOTAL</b>	-	<b>12 067</b>	-	<b>12 067</b>

### REPAIRS AND MAINTENANCE

An amount of R0,361 million (2022: R0,096 million) was spent during the year in review. In determining this amount, the Entity has exclusively disclosed amounts charged by service providers.

## 5. INTANGIBLE ASSETS

	ECONOMIC ENTITY					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Cost price	Accumulated amortisation	Carrying value	Cost price	Accumulated amortisation	Carrying value
Acquisition of rights	561 441	(556 433)	5 008	561 441	(545 158)	16 283
Computer software	1 763 434	(1 031 102)	732 332	1 515 101	(904 651)	610 450
<b>TOTAL</b>	<b>2 324 875</b>	<b>(1 587 535)</b>	<b>737 340</b>	<b>2 076 542</b>	<b>(1 449 809)</b>	<b>626 733</b>

### RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Amortisation	Disposals	Carrying value
<b>AS AT 30 JUNE 2023</b>						
Acquisition of rights	16 283	-	-	(11 275)	-	5 008
Computer software	610 450	93 682	157 025	(128 819)	(6)	732 332
<b>TOTAL</b>	<b>626 733</b>	<b>93 682</b>	<b>157 025</b>	<b>(140 094)</b>	<b>(6)</b>	<b>737 340</b>

(See annexure B for more details.)

### As at 30 June 2022

Acquisition of rights	66 445	-	-	(50 162)	-	16 283
Computer software	562 840	53 566	104 679	(110 598)	(37)	610 450
<b>TOTAL</b>	<b>629 285</b>	<b>53 566</b>	<b>104 679</b>	<b>(160 760)</b>	<b>(37)</b>	<b>626 733</b>

Included in computer software above are assets under construction of R27,58 million (2022: R5,62 million).

### CAPITAL COMMITMENTS

<b>Approved and contracted-for capital expenditure</b>	<b>2023</b>	<b>2022</b>
Computer software	-	380
<b>TOTAL</b>	<b>-</b>	<b>380</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 5. INTANGIBLE ASSETS (CONTINUED)

CITY OF CAPE TOWN						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Acquisition of rights	561 441	(556 433)	5 008	561 441	(545 158)	16 283
Computer software	1 752 784	(1 023 948)	728 836	1 504 289	(898 972)	605 317
<b>TOTAL</b>	<b>2 314 225</b>	<b>(1 580 381)</b>	<b>733 844</b>	<b>2 065 730</b>	<b>(1 444 130)</b>	<b>621 600</b>

### RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Disposals	Carrying value
<b>AS AT 30 JUNE 2023</b>						
Acquisition of rights	16 283	-	-	(11 275)	-	5 008
Computer software	605 317	93 682	154 921	(125 078)	(6)	728 836
<b>TOTAL</b>	<b>621 600</b>	<b>93 682</b>	<b>154 921</b>	<b>(136 353)</b>	<b>(6)</b>	<b>733 844</b>
(See annexure B for more details.)						
<b>As at 30 June 2022</b>						
Acquisition of rights	66 445	-	-	(50 162)	-	16 283
Computer software	558 190	53 566	101 049	(107 471)	(17)	605 317
<b>TOTAL</b>	<b>624 635</b>	<b>53 566</b>	<b>101 049</b>	<b>(157 633)</b>	<b>(17)</b>	<b>621 600</b>

## 6. INVESTMENTS

	ECONOMIC ENTITY		
	Amortised cost	Fair value	Total
<b>AS AT 30 JUNE 2023</b>			
RSA Government stock	52 058	-	52 058
Guaranteed investment instruments	2 805 762	-	2 805 762
Other fixed deposits	6 730 312	-	6 730 312
Deposits held with fund managers	-	7 895 417	7 895 417
<b>Net investments</b>	<b>9 588 132</b>	<b>7 895 417</b>	<b>17 483 549</b>
Transferred to current investments	(1 235 876)	(3 139 209)	(4 375 085)
Transferred to cash and cash equivalents – see note 11	(6 623 044)	(1 095 132)	(7 718 176)
<b>TOTAL</b>	<b>1 729 212</b>	<b>3 661 076</b>	<b>5 390 288</b>

<b>As at 30 June 2022</b>			
RSA Government stock	52 730	-	52 730
Guaranteed investment instruments	3 404 010	-	3 404 010
Other fixed deposits	7 015 967	-	7 015 967
Deposits held with fund managers	-	6 826 155	6 826 155
<b>Net investments</b>	<b>10 472 707</b>	<b>6 826 155</b>	<b>17 298 862</b>
Transferred to current investments	(128 816)	(2 617 391)	(2 746 207)
Transferred to cash and cash equivalents – see note 11	(6 887 152)	(1 155 514)	(8 042 666)
<b>TOTAL</b>	<b>3 456 739</b>	<b>3 053 250</b>	<b>6 509 989</b>

	CITY OF CAPE TOWN			
	Amortised cost	Fair value	Cost	Total
<b>AS AT 30 JUNE 2023</b>				
RSA Government stock	52 058	-	-	52 058
Guaranteed investment instruments	2 805 762	-	-	2 805 762
Other fixed deposits	6 630 447	-	-	6 630 447
Deposits held with fund managers	-	7 895 417	-	7 895 417
Shares in: Atlantis SEZ Company SOC Ltd	-	-	56 500	56 500
CTICC	-	-	884 998	884 998
	<b>9 488 267</b>	<b>7 895 417</b>	<b>941 498</b>	<b>18 325 182</b>
Provision for impairment	-	-	(613 563)	(613 563)
<b>Net investments</b>	<b>9 488 267</b>	<b>7 895 417</b>	<b>327 935</b>	<b>17 711 619</b>
Transferred to current investments	(1 235 876)	(3 139 209)	-	(4 375 085)
Transferred to cash and cash equivalents – see note 11	(6 523 179)	(1 095 132)	-	(7 618 311)
<b>TOTAL</b>	<b>1 729 212</b>	<b>3 661 076</b>	<b>327 935</b>	<b>5 718 223</b>
<b>As at 30 June 2022</b>				
RSA Government stock	52 730	-	-	52 730
Guaranteed investment instruments	3 404 010	-	-	3 404 010
Other fixed deposits	6 966 988	-	-	6 966 988
Deposits held with fund managers	-	6 826 155	-	6 826 155
Shares in: Atlantis SEZ Company SOC Ltd	-	-	56 500	56 500
CTICC	-	-	884 998	884 998
	<b>10 423 728</b>	<b>6 826 155</b>	<b>941 498</b>	<b>18 191 381</b>
Provision for impairment	-	-	(613 563)	(613 563)
<b>Net investments</b>	<b>10 423 728</b>	<b>6 826 155</b>	<b>327 935</b>	<b>17 577 818</b>
Transferred to current investments	(128 816)	(2 617 391)	-	(2 746 207)
Transferred to cash and cash equivalents – see note 11	(6 838 173)	(1 155 514)	-	(7 993 687)
<b>TOTAL</b>	<b>3 456 739</b>	<b>3 053 250</b>	<b>327 935</b>	<b>6 837 924</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 6. INVESTMENTS (CONTINUED)

### GUARANTEED INVESTMENT INSTRUMENTS

A total of R2,80 billion (2022: R3,40 billion) has been ring-fenced for the repayment of long-term liabilities – see note 12.

### COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES (COID) INVESTMENTS

In terms of the COID Act 130 of 1993, the Compensation Commissioner (Department of Labour) is required to hold investments and guarantees as security for the City's liabilities under the act. The amounts constitute RSA Government stock (bonds) of R52,06 million (2022: R52,73 million) and cash-backed guarantees of R107,27 million (2022: R128,81 million).

## 7. LONG-TERM RECEIVABLES

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Exchange transactions</b>				
Other	36 371	36 518	36 371	36 518
Provision for impairment	(36 156)	(36 210)	(36 156)	(36 210)
	215	308	215	308
Housing selling developments	1 247	7 074	1 247	7 074
Provision for impairment	(154)	(2 894)	(154)	(2 894)
	1 093	4 180	1 093	4 180
	1 308	4 488	1 308	4 488
Transferred to current receivables	(612)	(3 246)	(612)	(3 246)
<b>TOTAL</b>	<b>696</b>	<b>1 242</b>	<b>696</b>	<b>1 242</b>
<b>Reconciliation of impairment provision</b>				
Balance at beginning of the year	39 104	42 204	39 104	42 204
Contribution from provisions	(2 794)	(3 100)	(2 794)	(3 100)
<b>Balance as at 30 June</b>	<b>36 310</b>	<b>39 104</b>	<b>36 310</b>	<b>39 104</b>

### 7.1 OTHER

#### SPORTING BODIES

To facilitate the development of sporting facilities, loans were historically issued to provide the necessary financial assistance. These loans attract interest at a rate of 3,63–12% per annum, and are repayable over a maximum period of 20 to 40 years.

## 7. LONG-TERM RECEIVABLES (CONTINUED)

### 7.1 OTHER (CONTINUED)

#### HOUSING LAND SALE

The long-term loan to the Khayelitsha Community Trust (KCT) (sale of portion 1 to 3, erf 58856) is repayable over 18 years. Annual payments are received, with the final payment due in 2024.

#### PUBLIC ORGANISATIONS

Loans to public organisations were granted in terms of the National Housing Policy. At present, these loans attract interest at 1%, and are repayable over 30 years. With the implementation of the Municipal Finance Management Act (MFMA) and the Housing Act, no further loans have been awarded.

#### LITIGATION DEBTORS

The City is currently in a dispute with a service provider regarding an outstanding claim.

### 7.2 HOUSING SELLING DEVELOPMENT LOANS

Housing loans were historically granted to qualifying individuals in terms of the National Housing Policy. These loans currently attract interest at 10,50% (2022: 7,25%) per annum, and are repayable over 20 years. The interest rate is determined by Council policy.

The gross debt has decreased due to the implementation of the ownership regularisation programme, which helps raise awareness of the enhanced extended discount benefit scheme. This scheme assists qualifying beneficiaries and occupants with subsidies to accelerate the transfer of their properties.

## 8. INVENTORY

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
Consumable stock	363 443	299 821	360 692	297 852
Water	41 692	47 763	41 692	47 763
Other goods held for use/resale	80 771	84 608	80 771	84 608
<b>TOTAL</b>	<b>485 906</b>	<b>432 192</b>	<b>483 155</b>	<b>430 223</b>

Inventory to the value of R3,90 million (2022: R0,79 million) was scrapped during the year, and R754,15 million (2022: R983,08 million) was expensed.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 9. RECEIVABLES

	ECONOMIC ENTITY					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>FROM NON-EXCHANGE TRANSACTIONS</b>	<b>6 905 276</b>	<b>(3 670 667)</b>	<b>3 234 609</b>	<b>6 273 704</b>	<b>(3 590 442)</b>	<b>2 683 262</b>
<b>Statutory</b>	<b>6 884 424</b>	<b>(3 670 667)</b>	<b>3 213 757</b>	<b>6 254 160</b>	<b>(3 590 442)</b>	<b>2 663 718</b>
Property rates debtors	3 878 457	(1 151 400)	2 727 057	3 176 281	(997 620)	2 178 661
City improvement district (CID) levies	89 826	(18 947)	70 879	80 634	(11 230)	69 404
Government subsidies	178 052	-	178 052	167 267	-	167 267
Traffic fines	2 738 089	(2 500 320)	237 769	2 829 978	(2 581 592)	248 386
<b>Contractual</b>	<b>20 852</b>	<b>-</b>	<b>20 852</b>	<b>19 544</b>	<b>-</b>	<b>19 544</b>
Other receivables	20 852	-	20 852	19 544	-	19 544
<b>FROM EXCHANGE TRANSACTIONS</b>	<b>9 422 598</b>	<b>(5 196 258)</b>	<b>4 226 340</b>	<b>8 746 083</b>	<b>(4 467 115)</b>	<b>4 278 968</b>
<b>Contractual</b>	<b>9 422 598</b>	<b>(5 196 258)</b>	<b>4 226 340</b>	<b>8 746 083</b>	<b>(4 467 115)</b>	<b>4 278 968</b>
Electricity	2 402 009	(646 525)	1 755 484	2 364 239	(489 027)	1 875 212
Water	2 932 067	(1 936 411)	995 656	2 591 536	(1 667 531)	924 005
Sewerage	1 207 684	(728 916)	478 768	1 248 835	(630 334)	618 501
Refuse	812 827	(552 294)	260 533	719 612	(453 447)	266 165
Housing rental stock	961 868	(899 738)	62 130	890 961	(832 167)	58 794
Housing selling stock	220 951	(207 199)	13 752	217 540	(204 288)	13 252
Other receivables	753 250	(225 175)	528 075	621 016	(190 321)	430 695
Payments made in advance	131 942	-	131 942	92 344	-	92 344
<b>TOTAL</b>	<b>16 327 874</b>	<b>(8 866 925)</b>	<b>7 460 949</b>	<b>15 019 787</b>	<b>(8 057 557)</b>	<b>6 962 230</b>

As at 30 June 2023, the receivables balance included an amount of R139,75 million (2022: R133,22 million) owed by National Government and Province.

### RECONCILIATION OF IMPAIRMENT PROVISION

	Non-exchange statutory	Exchange contractual	TOTAL
<b>2023</b>			
Balance at beginning of the year	3 590 442	4 467 115	8 057 557
Contributions to provisions	1 945 692	1 032 961	2 978 653
Transfers from provisions	(1 769)	-	(1 769)
Bad debts written off	(1 863 698)	(303 818)	(2 167 516)
<b>Balance as at 30 June</b>	<b>3 670 667</b>	<b>5 196 258</b>	<b>8 866 925</b>
<b>2022</b>			
Balance at beginning of the year	2 875 337	4 476 928	7 352 265
Contributions to provisions	1 966 730	886 083	2 852 813
Transfers from provisions	(7 807)	-	(7 807)
Bad debts written off	(1 243 818)	(895 896)	(2 139 714)
<b>Balance as at 30 June</b>	<b>3 590 442</b>	<b>4 467 115</b>	<b>8 057 557</b>



## 9. RECEIVABLES (CONTINUED)

### ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM NON-EXCHANGE TRANSACTIONS

	ECONOMIC ENTITY (CONTINUED)					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>Statutory</b>						
<b>Property rates debtors</b>	<b>3 878 457</b>	<b>(1 151 400)</b>	<b>2 727 057</b>	<b>3 176 281</b>	<b>(997 620)</b>	<b>2 178 661</b>
Not past due date	1 917 314	-	1 917 314	1 394 709	-	1 394 709
Past due						
0-90	495 421	(14 759)	480 662	435 721	(5 467)	430 254
91-180	219 672	(50 017)	169 655	197 406	(32 522)	164 884
181-365	275 274	(114 752)	160 522	299 673	(113 334)	186 339
365+	970 776	(971 872)	(1 096)	848 772	(846 297)	2 475
<b>CID levies</b>	<b>89 826</b>	<b>(18 947)</b>	<b>70 879</b>	<b>80 634</b>	<b>(11 230)</b>	<b>69 404</b>
Not past due date	39 522	(1 320)	38 202	37 840	(864)	36 976
Past due						
0-90	17 230	(576)	16 654	15 564	(356)	15 208
91-180	10 793	(360)	10 433	4 963	(113)	4 850
181-365	7 414	(248)	7 166	12 659	(289)	12 370
365+	14 867	(16 443)	(1 576)	9 608	(9 608)	-
<b>Government subsidies</b>	<b>178 052</b>	<b>-</b>	<b>178 052</b>	<b>167 267</b>	<b>-</b>	<b>167 267</b>
Not past due date	178 052	-	178 052	167 267	-	167 267
<b>Traffic fines</b>	<b>2 738 089</b>	<b>(2 500 320)</b>	<b>237 769</b>	<b>2 829 978</b>	<b>(2 581 592)</b>	<b>248 386</b>
Past due						
0-90	422 394	(374 545)	47 849	410 436	(358 772)	51 664
91-180	350 918	(311 165)	39 753	346 626	(302 995)	43 631
181-365	671 129	(595 102)	76 027	566 150	(494 886)	71 264
365+	1 293 648	(1 219 508)	74 140	1 506 766	(1 424 939)	81 827
	<b>6 884 424</b>	<b>(3 670 667)</b>	<b>3 213 757</b>	<b>6 254 160</b>	<b>(3 590 442)</b>	<b>2 663 718</b>
<b>Contractual</b>						
<b>Other receivables</b>	<b>20 852</b>	<b>-</b>	<b>20 852</b>	<b>19 544</b>	<b>-</b>	<b>19 544</b>
Not past due date	20 852	-	20 852	19 544	-	19 544
	<b>20 852</b>	<b>-</b>	<b>20 852</b>	<b>19 544</b>	<b>-</b>	<b>19 544</b>
<b>TOTAL</b>	<b>6 905 276</b>	<b>(3 670 667)</b>	<b>3 234 609</b>	<b>6 273 704</b>	<b>(3 590 442)</b>	<b>2 683 262</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 9. RECEIVABLES (CONTINUED)

ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM EXCHANGE TRANSACTIONS

ECONOMIC ENTITY (CONTINUED)						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>Contractual</b>						
<b>Electricity</b>	<b>2 402 009</b>	<b>(646 525)</b>	<b>1 755 484</b>	<b>2 364 239</b>	<b>(489 027)</b>	<b>1 875 212</b>
Not past due date	1 112 668	-	1 112 668	1 200 729	-	1 200 729
Past due						
0-90	429 112	(3 852)	425 260	369 506	(2 120)	367 386
91-180	81 406	(12 585)	68 821	274 683	(52 739)	221 944
181-365	235 920	(94 466)	141 454	126 901	(50 711)	76 190
365+	542 903	(535 622)	7 281	392 420	(383 457)	8 963
<b>Water</b>	<b>2 932 067</b>	<b>(1 936 411)</b>	<b>995 656</b>	<b>2 591 536</b>	<b>(1 667 531)</b>	<b>924 005</b>
Not past due date	386 963	-	386 963	359 656	-	359 656
Past due						
0-90	318 883	(27 331)	291 552	303 444	(22 675)	280 769
91-180	231 576	(83 428)	148 148	204 718	(74 611)	130 107
181-365	331 944	(180 187)	151 757	300 718	(160 039)	140 679
365+	1 662 701	(1 645 465)	17 236	1 423 000	(1 410 206)	12 794
<b>Sewerage</b>	<b>1 207 684</b>	<b>(728 916)</b>	<b>478 768</b>	<b>1 248 835</b>	<b>(630 334)</b>	<b>618 501</b>
Not past due date	77 054	-	77 054	298 780	-	298 780
Past due						
0-90	282 536	(9 738)	272 798	216 606	(8 502)	208 104
91-180	93 517	(29 822)	63 695	77 948	(26 493)	51 455
181-365	125 123	(64 469)	60 654	114 679	(59 848)	54 831
365+	629 454	(624 887)	4 567	540 822	(535 491)	5 331
<b>Refuse</b>	<b>812 827</b>	<b>(552 294)</b>	<b>260 533</b>	<b>719 612</b>	<b>(453 447)</b>	<b>266 165</b>
Not past due date	77 634	-	77 634	119 521	-	119 521
Past due						
0-90	106 099	(10 459)	95 640	79 308	(6 671)	72 637
91-180	63 004	(24 961)	38 043	49 004	(17 929)	31 075
181-365	98 628	(55 271)	43 357	81 628	(43 584)	38 044
365+	467 462	(461 603)	5 859	390 151	(385 263)	4 888

## 9. RECEIVABLES (CONTINUED)

### ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM EXCHANGE TRANSACTIONS (CONTINUED)

	ECONOMIC ENTITY (CONTINUED)					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>Contractual (continued)</b>						
<b>Housing rental stock</b>	<b>961 868</b>	<b>(899 738)</b>	<b>62 130</b>	<b>890 961</b>	<b>(832 167)</b>	<b>58 794</b>
Not past due date	-	-	-	29 147	(22 020)	7 127
Past due						
0-90	135 769	(105 153)	30 616	70 392	(53 181)	17 211
91-180	44 132	(34 180)	9 952	39 551	(29 881)	9 670
181-365	95 619	(74 057)	21 562	101 375	(76 589)	24 786
365+	686 348	(686 348)	-	650 496	(650 496)	-
<b>Housing selling stock</b>	<b>220 951</b>	<b>(207 199)</b>	<b>13 752</b>	<b>217 540</b>	<b>(204 288)</b>	<b>13 252</b>
Not past due date	-	-	-	359	(157)	202
Past due						
0-90	8 928	(1 783)	7 145	11 193	(4 859)	6 334
91-180	1 812	(248)	1 564	3 819	(1 514)	2 305
181-365	5 808	(765)	5 043	7 285	(2 874)	4 411
365+	204 403	(204 403)	-	194 884	(194 884)	-
<b>Other receivables</b>	<b>753 250</b>	<b>(225 175)</b>	<b>528 075</b>	<b>621 016</b>	<b>(190 321)</b>	<b>430 695</b>
Not past due date	435 731	(419)	435 312	327 318	1 760	329 078
Past due						
0-90	39 540	(2 654)	36 886	54 773	(3 812)	50 961
91-180	5 887	(1 421)	4 466	26 214	(2 798)	23 416
181-365	61 137	(13 383)	47 754	32 306	(8 635)	23 671
365+	210 955	(207 298)	3 657	180 405	(176 836)	3 569
<b>Payments made in advance</b>	<b>131 942</b>	<b>-</b>	<b>131 942</b>	<b>92 344</b>	<b>-</b>	<b>92 344</b>
Not past due date	131 942	-	131 942	92 344	-	92 344
<b>TOTAL</b>	<b>9 422 598</b>	<b>(5 196 258)</b>	<b>4 226 340</b>	<b>8 746 083</b>	<b>(4 467 115)</b>	<b>4 278 968</b>
<b>TOTAL RECEIVABLES</b>	<b>16 327 874</b>	<b>(8 866 925)</b>	<b>7 460 949</b>	<b>15 019 787</b>	<b>(8 057 557)</b>	<b>6 962 230</b>

The "Not past due date" category represents customers who have not exceeded the 30-day credit period granted by the City to pay their municipal accounts.



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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 9. RECEIVABLES (CONTINUED)

CITY OF CAPE TOWN						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>FROM NON-EXCHANGE TRANSACTIONS</b>	<b>6 908 493</b>	<b>(3 670 667)</b>	<b>3 237 826</b>	<b>6 276 012</b>	<b>(3 590 442)</b>	<b>2 685 570</b>
<b>Statutory</b>	<b>6 887 641</b>	<b>(3 670 667)</b>	<b>3 216 974</b>	<b>6 256 468</b>	<b>(3 590 442)</b>	<b>2 666 026</b>
Property rates debtors	3 881 674	(1 151 400)	2 730 274	3 178 589	(997 620)	2 180 969
CID levies	89 826	(18 947)	70 879	80 634	(11 230)	69 404
Government subsidies	178 052	-	178 052	167 267	-	167 267
Traffic fines	2 738 089	(2 500 320)	237 769	2 829 978	(2 581 592)	248 386
<b>Contractual</b>	<b>20 852</b>	<b>-</b>	<b>20 852</b>	<b>19 544</b>	<b>-</b>	<b>19 544</b>
Other receivables	20 852	-	20 852	19 544	-	19 544
<b>FROM EXCHANGE TRANSACTIONS</b>	<b>9 358 932</b>	<b>(5 195 839)</b>	<b>4 163 093</b>	<b>8 689 561</b>	<b>(4 466 503)</b>	<b>4 223 058</b>
<b>Contractual</b>	<b>9 358 932</b>	<b>(5 195 839)</b>	<b>4 163 093</b>	<b>8 689 561</b>	<b>(4 466 503)</b>	<b>4 223 058</b>
Electricity	2 402 009	(646 525)	1 755 484	2 364 239	(489 027)	1 875 212
Water	2 932 067	(1 936 411)	995 656	2 591 536	(1 667 531)	924 005
Sewerage	1 207 684	(728 916)	478 768	1 248 835	(630 334)	618 501
Refuse	812 827	(552 294)	260 533	719 612	(453 447)	266 165
Housing rental stock	961 868	(899 738)	62 130	890 961	(832 167)	58 794
Housing selling stock	220 951	(207 199)	13 752	217 540	(204 288)	13 252
Other receivables	693 008	(224 756)	468 252	567 168	(189 709)	377 459
Payments made in advance	128 518	-	128 518	89 670	-	89 670
<b>TOTAL</b>	<b>16 267 425</b>	<b>(8 866 506)</b>	<b>7 400 919</b>	<b>14 965 573</b>	<b>(8 056 945)</b>	<b>6 908 628</b>

## 9. RECEIVABLES (CONTINUED)

### RECONCILIATION OF IMPAIRMENT PROVISION

	Non-exchange statutory	Exchange contractual	TOTAL
<b>2023</b>			
Balance at beginning of the year	3 590 442	4 466 503	8 056 945
Contributions to provisions	1 945 692	1 032 961	2 978 653
Transfers from provisions	(1 769)	-	(1 769)
Bad debts written off	(1 863 698)	(303 625)	(2 167 323)
<b>Balance as at 30 June</b>	<b>3 670 667</b>	<b>5 195 839</b>	<b>8 866 506</b>
<b>2022</b>			
Balance at beginning of the year	2 875 337	4 476 264	7 351 601
Contributions to provisions	1 966 730	886 135	2 852 865
Transfers from provisions	(7 807)	-	(7 807)
Bad debts written off	(1 243 818)	(895 896)	(2 139 714)
<b>Balance as at 30 June</b>	<b>3 590 442</b>	<b>4 466 503</b>	<b>8 056 945</b>

### ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM NON-EXCHANGE TRANSACTIONS

CITY OF CAPE TOWN (CONTINUED)						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>Statutory</b>						
<b>Property rates debtors</b>	<b>3 881 674</b>	<b>(1 151 400)</b>	<b>2 730 274</b>	<b>3 178 589</b>	<b>(997 620)</b>	<b>2 180 969</b>
Not past due date	1 920 531	-	1 920 531	1 397 017	-	1 397 017
Past due						
0-90	495 421	(14 759)	480 662	435 721	(5 467)	430 254
91-180	219 672	(50 017)	169 655	197 406	(32 522)	164 884
181-365	275 274	(114 752)	160 522	299 673	(113 334)	186 339
365+	970 776	(971 872)	(1 096)	848 772	(846 297)	2 475
<b>CID levies</b>	<b>89 826</b>	<b>(18 947)</b>	<b>70 879</b>	<b>80 634</b>	<b>(11 230)</b>	<b>69 404</b>
Not past due date	39 522	(1 320)	38 202	37 840	(864)	36 976
Past due						
0-90	17 230	(576)	16 654	15 564	(356)	15 208
91-180	10 793	(360)	10 433	4 963	(113)	4 850
181-365	7 414	(248)	7 166	12 659	(289)	12 370
365+	14 867	(16 443)	(1 576)	9 608	(9 608)	-
<b>Government subsidies</b>	<b>178 052</b>	<b>-</b>	<b>178 052</b>	<b>167 267</b>	<b>-</b>	<b>167 267</b>
Not past due date	178 052	-	178 052	167 267	-	167 267

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 9. RECEIVABLES (CONTINUED)

ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>Statutory (continued)</b>						
Traffic fines	2 738 089	(2 500 320)	237 769	2 829 978	(2 581 592)	248 386
Past due						
0-90	422 394	(374 545)	47 849	410 436	(358 772)	51 664
91-180	350 918	(311 165)	39 753	346 626	(302 995)	43 631
181-365	671 129	(595 102)	76 027	566 150	(494 886)	71 264
365+	1 293 648	(1 219 508)	74 140	1 506 766	(1 424 939)	81 827
	<b>6 887 641</b>	<b>(3 670 667)</b>	<b>3 216 974</b>	<b>6 256 468</b>	<b>(3 590 442)</b>	<b>2 666 026</b>
<b>Contractual</b>						
Other receivables	20 852	-	20 852	19 544	-	19 544
Not past due date	20 852	-	20 852	19 544	-	19 544
	<b>20 852</b>	<b>-</b>	<b>20 852</b>	<b>19 544</b>	<b>-</b>	<b>19 544</b>
<b>TOTAL</b>	<b>6 908 493</b>	<b>(3 670 667)</b>	<b>3 237 826</b>	<b>6 276 012</b>	<b>(3 590 442)</b>	<b>2 685 570</b>

ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM EXCHANGE TRANSACTIONS

CITY OF CAPE TOWN (CONTINUED)						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>Contractual</b>						
Electricity	2 402 009	(646 525)	1 755 484	2 364 239	(489 027)	1 875 212
Not past due date	1 112 668	-	1 112 668	1 200 729	-	1 200 729
Past due						
0-90	429 112	(3 852)	425 260	369 506	(2 120)	367 386
91-180	81 406	(12 585)	68 821	274 683	(52 739)	221 944
181-365	235 920	(94 466)	141 454	126 901	(50 711)	76 190
365+	542 903	(535 622)	7 281	392 420	(383 457)	8 963



## 9. RECEIVABLES (CONTINUED)

### ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM EXCHANGE TRANSACTIONS (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>Contractual (CONTINUED)</b>						
<b>Water</b>	<b>2 932 067</b>	<b>(1 936 411)</b>	<b>995 656</b>	<b>2 591 536</b>	<b>(1 667 531)</b>	<b>924 005</b>
Not past due date	386 963	-	386 963	359 656	-	359 656
Past due						
0-90	318 883	(27 331)	291 552	303 444	(22 675)	280 769
91-180	231 576	(83 428)	148 148	204 718	(74 611)	130 107
181-365	331 944	(180 187)	151 757	300 718	(160 039)	140 679
365+	1 662 701	(1 645 465)	17 236	1 423 000	(1 410 206)	12 794
<b>Sewerage</b>	<b>1 207 684</b>	<b>(728 916)</b>	<b>478 768</b>	<b>1 248 835</b>	<b>(630 334)</b>	<b>618 501</b>
Not past due date	77 054	-	77 054	298 780	-	298 780
Past due						
0-90	282 536	(9 738)	272 798	216 606	(8 502)	208 104
91-180	93 517	(29 822)	63 695	77 948	(26 493)	51 455
181-365	125 123	(64 469)	60 654	114 679	(59 848)	54 831
365+	629 454	(624 887)	4 567	540 822	(535 491)	5 331
<b>Refuse</b>	<b>812 827</b>	<b>(552 294)</b>	<b>260 533</b>	<b>719 612</b>	<b>(453 447)</b>	<b>266 165</b>
Not past due date	77 634	-	77 634	119 521	-	119 521
Past due						
0-90	106 099	(10 459)	95 640	79 308	(6 671)	72 637
91-180	63 004	(24 961)	38 043	49 004	(17 929)	31 075
181-365	98 628	(55 271)	43 357	81 628	(43 584)	38 044
365+	467 462	(461 603)	5 859	390 151	(385 263)	4 888
<b>Housing rental stock</b>	<b>961 868</b>	<b>(899 738)</b>	<b>62 130</b>	<b>890 961</b>	<b>(832 167)</b>	<b>58 794</b>
Not past due date	-	-	-	29 147	(22 020)	7 127
Past due						
0-90	135 769	(105 153)	30 616	70 392	(53 181)	17 211
91-180	44 132	(34 180)	9 952	39 551	(29 881)	9 670
181-365	95 619	(74 057)	21 562	101 375	(76 589)	24 786
365+	686 348	(686 348)	-	650 496	(650 496)	-
<b>Housing selling stock</b>	<b>220 951</b>	<b>(207 199)</b>	<b>13 752</b>	<b>217 540</b>	<b>(204 288)</b>	<b>13 252</b>
Not past due date	-	-	-	359	(157)	202
Past due						
0-90	8 928	(1 783)	7 145	11 193	(4 859)	6 334
91-180	1 812	(248)	1 564	3 819	(1 514)	2 305
181-365	5 808	(765)	5 043	7 285	(2 874)	4 411
365+	204 403	(204 403)	-	194 884	(194 884)	-

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 9. RECEIVABLES (CONTINUED)

ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM EXCHANGE TRANSACTIONS (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)						
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
<b>Contractual (continued)</b>						
<b>Other receivables</b>	<b>693 008</b>	<b>(224 756)</b>	<b>468 252</b>	<b>567 168</b>	<b>(189 709)</b>	<b>377 459</b>
Not past due date	384 505	-	384 505	284 647	2 372	287 019
Past due						
0-90	32 929	(2 654)	30 275	50 791	(3 812)	46 979
91-180	3 482	(1 421)	2 061	19 019	(2 798)	16 221
181-365	61 137	(13 383)	47 754	32 306	(8 635)	23 671
365+	210 955	(207 298)	3 657	180 405	(176 836)	3 569
<b>Payments made in advance</b>	<b>128 518</b>	<b>-</b>	<b>128 518</b>	<b>89 670</b>	<b>-</b>	<b>89 670</b>
Not past due date	128 518	-	128 518	89 670	-	89 670
<b>TOTAL</b>	<b>9 358 932</b>	<b>(5 195 839)</b>	<b>4 163 093</b>	<b>8 689 561</b>	<b>(4 466 503)</b>	<b>4 223 058</b>
<b>TOTAL RECEIVABLES</b>	<b>16 267 425</b>	<b>(8 866 506)</b>	<b>7 400 919</b>	<b>14 965 573</b>	<b>(8 056 945)</b>	<b>6 908 628</b>

## 10. VALUE-ADDED TAX (VAT)

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
VAT receivable	528 560	423 200	526 010	420 876
<b>Total VAT payable</b>	<b>(481 933)</b>	<b>(417 991)</b>	<b>(479 571)</b>	<b>(414 925)</b>
VAT payable	(484 651)	(466 419)	(482 289)	(463 353)
Impairment adjustment	2 718	48 428	2 718	48 428
<b>TOTAL</b>	<b>46 627</b>	<b>5 209</b>	<b>46 439</b>	<b>5 951</b>

The VAT liability was impaired as a result of impairment against debtors. The City is registered for VAT on the payment basis.

## 11. CASH AND CASH EQUIVALENTS (BANK AND CASH)

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Amortised cost</b>	7 124 721	7 195 882	7 015 649	7 139 629
Bank balance <sup>1</sup>	495 040	282 925	486 048	275 930
Year-end accruals	1 423	37	1 423	37
Cash on hand and in transit	5 214	25 768	4 999	25 489
Call and short-term deposits – see note 6	6 623 044	6 887 152	6 523 179	6 838 173
<b>Fair value – see note 6</b>	1 095 132	1 155 514	1 095 132	1 155 514
Call and short-term deposits	1 074 769	1 124 153	1 074 769	1 124 153
Bank accounts managed by fund managers <sup>1</sup>	20 363	31 361	20 363	31 361
<b>TOTAL</b>	<b>8 219 853</b>	<b>8 351 396</b>	<b>8 110 781</b>	<b>8 295 143</b>

<sup>1</sup> See annexure C for more details.

## 12. BORROWINGS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
Marketable bonds	3 743 303	4 850 239	3 743 303	4 850 239
Concessionary loans	3 606 357	1 783 612	3 606 357	1 783 612
Other loans	-	13 334	-	13 334
Subtotal – see annexure A for more details	7 349 660	6 647 185	7 349 660	6 647 185
Transferred to current liabilities	(1 718 820)	(1 426 476)	(1 718 820)	(1 426 476)
<b>TOTAL</b>	<b>5 630 840</b>	<b>5 220 709</b>	<b>5 630 840</b>	<b>5 220 709</b>

A total of R2,80 billion (2022: R3,40 billion) has been ring-fenced for the repayment of long-term liabilities – see note 6.

<b>MARKETABLE BONDS</b>	<b>3 743 303</b>	<b>4 850 239</b>	<b>3 743 303</b>	<b>4 850 239</b>
<b>Marketable bonds</b>	3 743 303	4 850 239	3 743 303	4 850 239
In terms of the City's domestic medium-term note (DMTN) programme registered on the Johannesburg Stock Exchange (JSE) Limited, unsecured bonds totalling R3,65 billion are listed on the JSE. Each of the municipal bonds bears interest at fixed rates ranging between 10,17% and 11,615% per annum. Interest is payable semi-annually for all bonds. Capital will be redeemed by way of a bullet repayment on the final redemption date for CCT02 and CCT03, and by way of semi-annual capital redemptions for CCT04 (green bond). The municipal bonds are repayable on 12 June 2024 (CCT02), 15 March 2025 (CCT03) and 17 July 2027 (CCT04). Guaranteed investment instruments have been established with two financial institutions, namely Rand Merchant Bank (CCT02) and Liberty Group Limited (CCT03) for the repayment of CCT02 and CCT03 respectively by once-off lump sum payments. Municipal bond CCT01 was repaid on 23 June 2023, using a guaranteed investment instrument from Nedbank Limited.				

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 12. BORROWINGS (CONTINUED)

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>CONCESSIONARY LOANS</b>	<b>3 606 357</b>	<b>1 783 612</b>	<b>3 606 357</b>	<b>1 783 612</b>
<b>Agence Française de Développement (AFD)</b>	2 793 937	894 256	2 793 937	894 256
An unsecured loan, bearing interest at an average fixed rate of 5,76% per annum, as well as a new loan of R2,116 billion received on 6 June 2023, bearing interest at a fixed rate of 11,30% per annum, both repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. The first loan will be fully paid on 31 March 2028, and the second on 30 April 2038. Nominal value as at 30 June 2023 was R2,911 billion (2022: R954 million).				
<b>KfW Development Bank</b>	812 420	889 356	812 420	889 356
An unsecured fixed-term concessionary loan, bearing interest at a fixed rate of 8,107% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan was received in three tranches: the first two during the 2019 financial year, and the third during the 2020 financial year. It will be fully paid on 15 November 2033. Nominal value as at 30 June 2023 was R902 million (2022: R987 million).				
<b>OTHER LOANS</b>	-	<b>13 334</b>	-	<b>13 334</b>
<b>Development Bank of Southern Africa (DBSA)</b>	-	13 334	-	13 334
Unsecured loans, bearing interest at fixed rates ranging between 9,64% and 10,56% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. These loans were fully paid on 31 December 2022.				
<b>TOTAL – see annexure A for more details</b>	<b>7 349 660</b>	<b>6 647 185</b>	<b>7 349 660</b>	<b>6 647 185</b>

For more details about short-term debt facilities available to the Entity, see annexure C.

In compliance with paragraph 7.3(g) of the JSE listing requirements, Mr H Robbins, in his capacity as manager of the Treasury of City of Cape Town, has been appointed as the City's debt officer with effect from 12 October 2021.

In compliance with paragraph 7.16 of the JSE listing requirements, the City has no loans or procurement transactions with any related parties, domestic prominent influential persons or prescribed officers as defined by the JSE debt listing requirements.

### 13. RETIREMENT BENEFIT INFORMATION

The Entity makes provision for post-retirement benefits to eligible councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act 24 of 1956, and include both defined-benefit (DB) and defined-contribution (DC) schemes. Contributions of R1,61 billion (2022: R1,51 billion) to the DB and DC schemes are expensed as incurred during the year in review.

These schemes are subject to a triennial, biennial or annual actuarial valuation, as set out below.

#### 13.1 DEFINED-BENEFIT SCHEMES

##### LA RETIREMENT FUND (MULTI-EMPLOYER FUND)

The last statutory actuarial valuation of the fund was performed as at 30 June 2020, at which stage the fund found the pensioners and DB deferred members account to be in a sound financial position. An interim funding basis valuation at 30 June 2022 indicated a R144,16 million surplus, with an overall funding level of 104,5% for the DB section and pensioners account respectively at year-end.

## 13. RETIREMENT BENEFIT INFORMATION (CONTINUED)

### 13.1 DEFINED-BENEFIT SCHEMES (CONTINUED)

#### SOUTH AFRICAN LOCAL AUTHORITIES (SALA) PENSION FUND (MULTI-EMPLOYER FUND)

The fund is a DB plan, and its last statutory valuation at 1 July 2021 revealed a deficit of R2,08 million and a funding level of 85,5%, having deteriorated since its previous statutory valuation at 1 July 2018, which indicated a deficit of R601,2 million and a funding level of 96%. That was prior to the approval of a scheme of arrangement (SOA) between the fund and all participating employers. The SOA requires all participating employers to contribute an additional 2% per annum over the next five to six years to restore the fund to financial soundness. Due to its further deterioration as a result of poor investment returns over the valuation period, the fund is required under section 18 of the Pension Funds Act to submit an updated SOA to the Financial Sector Conduct Authority (FSCA) to outline how the funding position will be addressed and restored.

### 13.2 DEFINED-CONTRIBUTION SCHEMES

- LA Retirement Fund (multi-employer fund)
- SALA Pension Fund (multi-employer fund)
- Cape Retirement Fund for Local Authorities (multi-employer fund)
- Municipal Councillors' Pension Fund (multi-employer fund)
- National Fund for Municipal Workers (multi-employer fund)
- Municipal Workers' Retirement Fund (multi-employer fund)
- Cape Town International Convention Centre Company SOC Limited (RF) Provident Fund

### 13.3 DEFINED-BENEFIT AND DEFINED-CONTRIBUTION SCHEME

#### CAPE MUNICIPAL PENSION FUND

The Cape Municipal Pension Fund operates as both a DB and DC scheme. A statutory actuarial valuation of the fund was performed as at 30 June 2021, which certified it as being in a financially sound position. An interim actuarial valuation of the fund was performed at 30 June 2022.

	DB section	DC section	Total
In-service members	140	9 253	9 393
Pensioners	1 987	2 664	4 651
Membership as at 30 June 2022	<b>2 127</b>	<b>11 917</b>	<b>14 044</b>

	2022 R'million	2021 R'million
Past-service position: DB section	3 479	3 524
DC section	14 409	14 453
<b>Total liabilities</b>	<b>17 888</b>	<b>17 977</b>
Assets valued at market value	17 929	18 193
Actuarial surplus	37	210

The actuarial surplus is mainly attributable to the DB in-service members, and is not refundable to the employer.

Key financial assumptions	2023 %	2022 %
Actual employer contribution: DB section	20,25	20,25
DC section	18,00	18,00
Net discount rate: Pre-retirement	2,62	2,30
Post-retirement	3,62	3,30
Normal retirement age	65 years	65 years

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 14. PROVISIONS

	ECONOMIC ENTITY					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Non-current	Current	Total	Non-current	Current	Total
Environmental rehabilitation	432 891	120 897	553 788	360 549	120 897	481 446
Long-service leave benefits	673 681	129 334	803 015	680 665	151 391	832 056
Post-retirement healthcare benefits	5 497 251	331 845	5 829 096	6 375 396	307 476	6 682 872
Leave and other provisions	9 934	1 131 635	1 141 569	14 572	1 112 494	1 127 066
<b>TOTAL</b>	<b>6 613 757</b>	<b>1 713 711</b>	<b>8 327 468</b>	<b>7 431 182</b>	<b>1 692 258</b>	<b>9 123 440</b>

### MOVEMENT FOR THE YEAR

	Environmental rehabilitation	Long-service benefits	Post-retirement healthcare benefits	Leave and other provisions	Total
Opening balance	481 446	832 056	6 682 872	1 127 066	9 123 440
Service costs	-	67 397	79 452	377	147 226
Interest costs	57 195	83 941	774 564	1 737	917 437
Payments/utilised	-	(89 757)	(290 231)	(189 095)	(569 083)
Additional provision raised	-	-	-	1 314 239	1 314 239
Reversals	-	-	-	(1 158 303)	(1 158 303)
Actuarial gains	-	(90 622)	(1 417 561)	(6 433)	(1 514 616)
Remeasurements	15 147	-	-	51 981	67 128
<b>TOTAL</b>	<b>553 788</b>	<b>803 015</b>	<b>5 829 096</b>	<b>1 141 569</b>	<b>8 327 468</b>

	CITY OF CAPE TOWN					
	AS AT 30 JUNE 2023			As at 30 June 2022		
	Non-current	Current	Total	Non-current	Current	Total
Environmental rehabilitation	432 891	120 897	553 788	360 549	120 897	481 446
Long-service benefits	673 681	129 334	803 015	680 665	151 391	832 056
Post-retirement healthcare benefits	5 497 251	331 845	5 829 096	6 375 396	307 476	6 682 872
Leave and other provisions	9 934	1 127 845	1 137 779	14 572	1 112 494	1 127 066
<b>TOTAL</b>	<b>6 613 757</b>	<b>1 709 921</b>	<b>8 323 678</b>	<b>7 431 182</b>	<b>1 692 258</b>	<b>9 123 440</b>

	Environmental rehabilitation	Long-service benefits	Post-retirement healthcare benefits	Leave and other provisions	Total
Opening balance	481 446	832 056	6 682 872	1 127 066	9 123 440
Service costs	-	67 397	79 452	377	147 226
Interest costs	57 195	83 941	774 564	1 737	917 437
Payments/utilised	-	(89 757)	(290 231)	(187 026)	(567 014)
Additional provision raised	-	-	-	1 308 380	1 308 380
Reversed	-	-	-	(1 158 303)	(1 158 303)
Actuarial gains	-	(90 622)	(1 417 561)	(6 433)	(1 514 616)
Remeasurements	15 147	-	-	51 981	67 128
<b>TOTAL</b>	<b>553 788</b>	<b>803 015</b>	<b>5 829 096</b>	<b>1 137 779</b>	<b>8 323 678</b>

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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 14. PROVISIONS (CONTINUED)

#### 14.1 ENVIRONMENTAL REHABILITATION

In terms of the Entity's licensing stipulations for waste landfill sites, provision is made for the estimated cost of rehabilitating waste sites for the portion of land used or contaminated at the reporting date. The provision has been determined based on an independent valuation performed by a firm of consulting engineers on 30 June 2023.

Key cost parameters	2023	2022
Estimated dates of reaching full capacity	Between 2018 and 2044	Between 2018 and 2041
Estimated post-closure rehabilitation time	4 years	4 years
Post-closure monitoring period	30 years	30 years
Average estimated annual inflation rate	7,22%	5,5%
Discount rate at the average borrowing rate	12,48%	11,88%

#### 14.2 LONG-SERVICE BENEFITS

An actuarial valuation has been performed of the Entity's liability for vested long-service benefits to which employees may become entitled upon completion of ten years' service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

##### DISCOUNT RATE

The nominal and real-zero curves as supplied by the JSE were used to determine the discount rates and consumer price index (CPI) assumptions for the respective periods.

Key cost parameters	2023	2022
Discount rate	Yield curve	Yield curve
Consumer price index	Difference between nominal and real-yield curves	Difference between nominal and real-yield curves
Salary increase	Equal to CPI + 1%	Equal to CPI + 1%

#### 14.3 POST-RETIREMENT HEALTHCARE DEFINED BENEFITS

An actuarial valuation has been performed of the Entity's liability in respect of healthcare benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits.

The contributions paid are actual contributions paid by the Entity, and the unrecognised actuarial gains and losses have been adjusted accordingly to take into account the difference between the estimated contribution payments determined by the actuary and the actual contributions paid to members by the Entity.

For past service of in-service and retired employees, the Entity recognises and provides for the actuarially determined present value of post-retirement medical-aid employer contributions on an accrual basis, using the projected unit credit method.

The members of medical schemes entitled to a post-employment subsidy as at 30 June 2023 constituted 4 867 (2022: 5 501) in-service members and 7 065 (2022: 6 976) pensioners.

It was assumed that the employer's healthcare arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits and contributions would remain unchanged, with the exception of inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidisation from in-service members to retiree members within the medical scheme are sustainable and will continue.

It is further assumed that the subsidy will continue for eligible members and their spouses until the last survivor's death.



## 14. PROVISIONS (CONTINUED)

### 14.3 POST-RETIREMENT HEALTHCARE DEFINED BENEFITS (CONTINUED)

#### CONTINUATION OF MEMBERSHIP

It is assumed that 100% of in-service members entitled to a post-retirement subsidy retiring from the Entity will remain on the employer's healthcare arrangements.

#### FAMILY PROFILE

Family profile was based on actual data and, therefore, no assumptions had to be made.

#### PLAN ASSETS

Currently, no long-term assets are set aside off the balance sheet in respect of the employer's post-employment healthcare liability.

#### DISCOUNT RATE

The fund benefit liability to the Entity as at 30 June 2023 has been discounted at a rate determined on the basis of the nominal and real-zero curves as supplied by the JSE.

Key financial assumptions	2023	2022
Discount rate	Yield curve	Yield curve
Consumer price index	Difference between nominal and real-yield curves	Difference between nominal and real-yield curves
Healthcare cost inflation rate	CPI + 2%	CPI + 2%

Sensitivity analysis	Change in assumption	Liability	Interest costs	Service costs
Assumptions used		<b>5 829 096</b>	<b>721 056</b>	<b>56 427</b>
Healthcare inflation	1% decrease	5 282 622	650 507	48 435
	1% increase	6 465 464	803 327	66 080
Post-retirement mortality	20% decrease	6 330 432	784 688	61 517
	20% increase	5 424 446	669 641	52 217

### 14.4 OTHER PROVISIONS

#### LEAVE BENEFITS

Annual leave accrues to employees monthly, subject to certain conditions. The provision of R1,06 billion (2022: R1,02 billion) is an estimate of the amount due to staff as at the financial year-end, based on the value of statutory and non-statutory leave.

## 15. DEPOSITS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
Services deposits	416 918	465 467	416 918	465 467
Rental and other deposits	113 332	99 035	22 815	22 411
<b>TOTAL</b>	<b>530 250</b>	<b>564 502</b>	<b>439 733</b>	<b>487 878</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 16. PAYABLES FROM EXCHANGE TRANSACTIONS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
Trade and other creditors	6 274 075	5 619 789	6 221 921	5 587 505
Payments received in advance	1 532 299	1 192 398	1 532 299	1 192 398
Funds administered on behalf of third parties	28 894	28 201	28 894	28 201
<b>TOTAL</b>	<b>7 835 268</b>	<b>6 840 388</b>	<b>7 783 114</b>	<b>6 808 104</b>

Payables are non-interest-bearing and are normally settled on 30-day terms, except for retentions, which are settled in terms of the contract agreement.

Payments received in advance are non-interest-bearing and normally settled on 30-day terms.

### 17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Conditional grants from other spheres of government</b>	368 146	758 068	368 146	758 068
National Government	122 012	501 701	122 012	501 701
Province	246 134	256 367	246 134	256 367
<b>Other conditional receipts</b>	458 606	19 916	458 606	19 916
Public contributions	458 606	19 916	458 606	19 916
<b>TOTAL</b>	<b>826 752</b>	<b>777 984</b>	<b>826 752</b>	<b>777 984</b>

#### URBAN SETTLEMENTS DEVELOPMENT GRANT (USDG)

The first USDG tranche, which should have been released on 14 July 2022 as per the approved payment schedule, was delayed without any reason provided. National Treasury instructed the national Department of Human Settlements on 5 August 2022 to transfer the funds by 13 August 2022. The funds were received on 11 August 2022.

#### INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT (ISUPG)

The first ISUPG tranche, which should have been released on 19 July 2022 as per the approved payment schedule, was delayed without any reason provided. National Treasury instructed the national Department of Human Settlements on 5 August 2022 to transfer the funds by 18 August 2022. The funds were received on 16 August 2022.

See notes 23, 24, 25 and annexure D for more details on grants from National Government and Province, as well as public contributions.



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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 18. HOUSING DEVELOPMENT FUND

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Realised housing proceeds</b>				
Balance at beginning of the year	311 741	412 608	311 741	412 608
Income	16 258	16 666	16 258	16 666
Interest	21 008	14 789	21 008	14 789
Expenditure	(39 724)	(132 322)	(39 724)	(132 322)
<b>Balance at end of the year</b>	<b>309 283</b>	<b>311 741</b>	<b>309 283</b>	<b>311 741</b>
<b>Unrealised housing proceeds</b>				
Balance at beginning of the year	1 079	8 595	1 079	8 595
Long-term loans realised	(5 880)	(7 516)	(5 880)	(7 516)
Transfer to impairment provision – selling schemes	2 793	-	2 793	-
<b>Balance at end of the year</b>	<b>(2 008)</b>	<b>1 079</b>	<b>(2 008)</b>	<b>1 079</b>
<b>TOTAL</b>	<b>307 275</b>	<b>312 820</b>	<b>307 275</b>	<b>312 820</b>

Unrealised housing proceeds represent loan repayments not yet due in terms of the debtor's loan agreement.

## 19. SERVICE CHARGES

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Exchange transactions</b>	24 296 283	23 526 346	24 295 205	23 526 030
Electricity	16 259 939	16 171 157	16 289 642	16 193 383
Water	3 922 451	3 613 164	3 926 582	3 615 866
Sewerage	2 004 358	1 820 280	2 004 358	1 820 280
Refuse	1 151 156	1 089 715	1 151 523	1 090 065
ICASA ECNS licence	26 566	27 748	26 566	27 748
Other	931 813	804 282	896 534	778 688
<b>Non-exchange transactions</b>	50 856	35 778	50 856	35 778
Water	18 296	10 773	18 296	10 773
Sewerage	18 473	12 393	18 473	12 393
Refuse	14 087	12 612	14 087	12 612
<b>TOTAL</b>	<b>24 347 139</b>	<b>23 562 124</b>	<b>24 346 061</b>	<b>23 561 808</b>

## 20. FINANCE INCOME

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Exchange transactions</b>	1 742 634	1 249 562	1 735 432	1 247 922
External investments	1 499 076	1 014 995	1 491 874	1 013 355
Outstanding debtors	288 014	270 668	288 014	270 668
Transferred interest to conditional grants	(44 456)	(36 101)	(44 456)	(36 101)
<b>Non-exchange transactions</b>				
Outstanding debtors	124 173	99 174	124 173	99 174
<b>TOTAL</b>	<b>1 866 807</b>	<b>1 348 736</b>	<b>1 859 605</b>	<b>1 347 096</b>

## 21. OTHER INCOME

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Exchange transactions</b>	529 863	428 467	420 167	407 401
Development contributions	283 368	209 516	283 368	209 516
Other income	234 631	207 150	124 935	186 084
Gains on foreign-exchange transactions	517	33	517	33
Fair-value adjustments	11 347	11 768	11 347	11 768
<b>Non-exchange transactions</b>	409 696	293 385	409 696	293 385
City improvement districts (CIDs)	316 181	293 085	316 181	293 085
Arbor City awards	-	300	-	300
Fair-value adjustments	93 515	-	93 515	-
<b>TOTAL</b>	<b>939 559</b>	<b>721 852</b>	<b>829 863</b>	<b>700 786</b>

The City received services in kind to an estimated value of R7,73 million (2022: R16,13 million) in the form of volunteers.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 22. PROPERTY RATES

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Actual</b>				
Residential, commercial and other	12 721 432	11 720 367	12 725 479	11 720 222
Income forgone	(1 480 050)	(1 361 479)	(1 480 050)	(1 361 479)
<b>TOTAL</b>	<b>11 241 382</b>	<b>10 358 888</b>	<b>11 245 429</b>	<b>10 358 743</b>
<b>Valuations per category</b>				
Agriculture	7 141 156	9 029 783	7 141 156	9 029 783
Business and commercial	264 730 908	274 256 982	264 730 908	274 256 982
Industrial	91 421 546	91 031 019	91 421 546	91 031 019
Mining	218 373	241 537	218 373	241 537
Multiple-purpose	11 946 907	2 869 784	11 946 907	2 869 784
Organ of state (public service purposes)	33 377 692	35 475 085	33 377 692	35 475 085
Public benefit organisation	5 362 533	6 121 928	5 362 533	6 121 928
Public service infrastructure	8 319 917	15 527 609	8 319 917	15 527 609
Residential	1 197 723 748	1 187 745 657	1 197 723 748	1 187 745 657
Vacant land	34 536 515	34 650 174	34 536 515	34 650 174
Place of worship	12 202	138 005	12 202	138 005
Cemeteries and crematoria; animal shelters; local community museums; nature conservation land	615 446	525 116	615 446	525 116
Properties owned by not-for-profit organisations	2 889 976	1 109 198	2 889 976	1 109 198
<b>TOTAL valuation at commencement of financial year</b>	<b>1 658 296 919</b>	<b>1 658 721 877</b>	<b>1 658 296 919</b>	<b>1 658 721 877</b>

The general valuation roll (GV2018) took effect on 1 July 2019 and applied until 30 June 2023. It was based on market-related values as at 2 July 2018 and implemented the amendments made to section 8 of the Local Government: Municipal Property Rates Act 6 of 2004, in accordance with section 93B. The new general valuation roll takes effect on 1 July 2023, reflecting market valuations as at 1 July 2022.

Property valuation adjustments, such as supplementary valuations, objection valuations and Valuation Appeal Board decisions, are processed continuously. Municipal rates are levied daily in terms of the provisions of the rates policy, which makes provision for rebates and exemptions.

## 23. GOVERNMENT GRANTS AND SUBSIDIES

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Unconditional grants</b>	4 106 985	3 668 769	4 106 985	3 668 769
<b>Conditional grants</b>	4 168 533	3 794 511	4 168 533	3 794 511
National Government	2 960 597	2 666 793	2 960 597	2 666 793
Province	1 207 936	1 127 718	1 207 936	1 127 718
<b>Total grants</b>	8 275 518	7 463 280	8 275 518	7 463 280
Housing construction revenue	(284 904)	(282 031)	(284 904)	(282 031)
<b>TOTAL</b>	<b>7 990 614</b>	<b>7 181 249</b>	<b>7 990 614</b>	<b>7 181 249</b>
<b>Analysis of government grants and subsidies</b>				
Operating	6 171 454	5 806 828	6 171 454	5 806 828
Capital	2 104 064	1 656 452	2 104 064	1 656 452
<b>TOTAL</b>	<b>8 275 518</b>	<b>7 463 280</b>	<b>8 275 518</b>	<b>7 463 280</b>

## 24. CONSTRUCTION CONTRACTS

### HOUSING CONTRACTS

Revenue and expenses at year-end were as follows:

	ECONOMIC ENTITY			
	2023		2022	
	Revenue	Expenses	Revenue	Expenses
Emergency Housing Programme	18 998	18 998	12 343	12 343
Enhanced People's Housing Process	118 672	118 672	161 742	161 742
Integrated Residential Development Programme	147 234	147 234	107 946	107 946
<b>TOTAL</b>	<b>284 904</b>	<b>284 904</b>	<b>282 031</b>	<b>282 031</b>

### In progress

	Debtors outstanding	Advances received	Retentions
<b>AS AT 30 JUNE 2023</b>			
Emergency Housing Programme	24 735	(754)	-
Enhanced People's Housing Process	-	(32 882)	(3 641)
Integrated Residential Development Programme	79 056	(10 262)	-
<b>TOTAL</b>	<b>103 791</b>	<b>(43 898)</b>	<b>(3 641)</b>
<b>As at 30 June 2022</b>			
Emergency Housing Programme	12 058	(3 709)	-
Enhanced People's Housing Process	-	(49 793)	(5 788)
Integrated Residential Development Programme	117 038	(31 764)	-
Community Residential Units Programme	-	(234)	-
<b>TOTAL</b>	<b>129 096</b>	<b>(85 500)</b>	<b>(5 788)</b>



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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 24. CONSTRUCTION CONTRACTS (CONTINUED)

### HOUSING CONTRACTS (CONTINUED)

Revenue and expenses at year-end were as follows (continued):

	CITY OF CAPE TOWN			
	2023		2022	
	Revenue	Expenses	Revenue	Expenses
Emergency Housing Programme	18 998	18 998	12 343	12 343
Enhanced People's Housing Process	118 672	118 672	161 742	161 742
Integrated Residential Development Programme	147 234	147 234	107 946	107 946
<b>TOTAL</b>	<b>284 904</b>	<b>284 904</b>	<b>282 031</b>	<b>282 031</b>

### In progress

	Debtors outstanding	Advances received	Retentions
<b>AS AT 30 JUNE 2023</b>			
Emergency Housing Programme	24 735	(754)	-
Enhanced People's Housing Process	-	(32 882)	(3 641)
Integrated Residential Development Programme	79 056	(10 262)	-
<b>TOTAL</b>	<b>103 791</b>	<b>(43 898)</b>	<b>(3 641)</b>

### As at 30 June 2022

Emergency Housing Programme	12 058	(3 709)	-
Enhanced People's Housing Process	-	(49 793)	(5 788)
Integrated Residential Development Programme	117 038	(31 764)	-
Community Residential Units Programme	-	(234)	-
<b>TOTAL</b>	<b>129 096</b>	<b>(85 500)</b>	<b>(5 788)</b>

## 25. PUBLIC CONTRIBUTIONS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Unconditional</b>	123	1 344	123	1 344
<b>Conditional</b>	58 112	12 738	58 112	12 738
Contributed assets	835	48	835	48
Other	57 277	12 690	57 277	12 690
<b>TOTAL</b>	<b>58 235</b>	<b>14 082</b>	<b>58 235</b>	<b>14 082</b>

## 26. EMPLOYEE-RELATED COSTS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
Salaries, wages and allowances	15 868 829	14 753 522	15 794 600	14 697 620
Contributions and benefits paid: current provisions	(164)	(107 224)	(164)	(107 224)
Contributions: post-retirement and long-service benefits	(507 148)	688 276	(507 148)	688 276
Current service costs	147 226	146 697	147 226	146 697
Interest costs	860 242	745 576	860 242	745 576
Actuarial gains	(1 514 616)	(203 997)	(1 514 616)	(203 997)
	15 361 517	15 334 574	15 287 288	15 278 672
Expenditure recharged to capital projects	(26 409)	(24 783)	(26 409)	(24 783)
<b>TOTAL</b>	<b>15 335 108</b>	<b>15 309 791</b>	<b>15 260 879</b>	<b>15 253 889</b>

## 27. IMPAIRMENT

Receivables	3 021 668	2 842 791	3 021 569	2 842 836
Property, plant and equipment	(10 706)	(97 410)	18 465	30 342
<b>TOTAL</b>	<b>3 010 962</b>	<b>2 745 381</b>	<b>3 040 034</b>	<b>2 873 178</b>

## 28. FINANCE COSTS

Borrowings	711 748	733 085	711 748	733 085
Unwinding of discount	57 196	38 541	57 196	38 541
<b>TOTAL</b>	<b>768 944</b>	<b>771 626</b>	<b>768 944</b>	<b>771 626</b>

## 29. BULK PURCHASES

Electricity	11 812 158	11 561 609	11 812 158	11 561 609
Water	286 138	277 900	286 138	277 900
<b>TOTAL</b>	<b>12 098 296</b>	<b>11 839 509</b>	<b>12 098 296</b>	<b>11 839 509</b>

## 30. CONTRACTED SERVICES

Transportation services	1 068 047	921 561	1 068 047	921 561
Refuse removal services	479 532	434 183	479 532	434 183
Sewerage services	685 639	601 839	685 639	601 839
Electrical services	295 147	244 030	286 357	234 758
Waste haulage services	251 491	253 273	251 491	253 273
Other services	424 099	442 569	412 273	441 746
<b>TOTAL</b>	<b>3 203 955</b>	<b>2 897 455</b>	<b>3 183 339</b>	<b>2 887 360</b>

Contracted services are mandated services in terms of the Local Government: Municipal Structures Act 117 of 1998, a municipal by-law or the Integrated Development Plan (IDP) that the municipality is expected to have the capacity and expertise to deliver, but are being outsourced instead.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 31. GENERAL EXPENSES

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
Auditor remuneration	21 346	20 593	19 991	19 144
CID levies	306 696	284 293	306 696	284 293
Consultants	859 998	644 528	848 452	634 978
Electricity – Eskom service areas	184 249	176 572	184 003	175 892
Fair-value adjustments	14 211	14 862	14 211	14 862
Indigent relief	139 094	130 038	139 094	130 038
Loss on foreign-exchange transactions	819	787	604	718
Inventory: scrapping	3 897	792	3 897	792
Telecommunications	288 705	232 458	272 483	218 852
Building contractors	2 394 381	2 084 447	2 387 049	2 076 916
Fuel	608 634	404 601	602 714	403 684
Minor tools and equipment	678 137	475 820	636 288	465 318
Security services	1 297 752	1 163 855	1 279 003	1 144 805
Servicing of vehicles and equipment	729 941	570 873	720 753	565 467
Other expenditure	2 697 247	2 364 787	2 660 552	2 334 428
	10 225 107	8 569 306	10 075 790	8 470 187
Contributions (from)/to provisions	(559)	1 590	(559)	1 590
	10 224 548	8 570 896	10 075 231	8 471 777
Expenditure recharged to capital projects	(3 501)	(2 919)	(3 501)	(2 919)
<b>TOTAL</b>	<b>10 221 047</b>	<b>8 567 977</b>	<b>10 071 730</b>	<b>8 468 858</b>

## 32. TAXATION

### 32.1 DEFERRED TAXATION

#### CTICC

Deferred income taxes are calculated on all temporary differences, using a tax rate of 27% (2022: 28%).

At beginning of the year	(127 093)	(176 693)
Temporary differences: current year	19 173	49 600
<b>At end of the year</b>	<b>(107 920)</b>	<b>(127 093)</b>

### 32.2 TAXATION

#### Statement of financial performance charge

CTICC	19 173	49 600
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### 33. CASH GENERATED FROM OPERATIONS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Surplus from operations before taxation</b>	3 755 508	2 933 016	3 703 440	2 903 185
Adjustment for:	4 128 647	5 352 975	4 134 443	5 414 561
Contributed assets	(7 714)	(44 450)	(7 714)	(44 450)
Contribution to provisions	(875 603)	226 125	(879 393)	226 125
Depreciation and amortisation	3 281 186	3 065 552	3 241 058	3 026 161
Fair-value adjustment	(90 651)	3 094	(90 651)	3 094
Gains and losses on disposal of assets	(82 127)	(66 799)	(82 127)	(94 923)
Impairment	3 010 863	2 745 374	3 040 034	2 873 178
Inventory scrapping	3 897	792	3 897	792
Unrealised foreign-exchange losses/(gains)	-	54	-	54
Shares of loss in associate	(13 341)	343	-	-
Finance income	(1 866 807)	(1 348 736)	(1 859 605)	(1 347 096)
Cash transactions	(1 824 243)	(1 433 666)	(1 817 833)	(1 432 200)
Non-cash transactions	(42 564)	84 930	(41 772)	85 104
Finance costs	768 944	771 626	768 944	771 626
Cash transactions	673 596	702 468	673 596	702 468
Non-cash transactions	95 348	69 158	95 348	69 158
<b>Operating surplus before working capital changes</b>	<b>7 884 155</b>	<b>8 285 991</b>	<b>7 837 883</b>	<b>8 317 746</b>
(Increase)/decrease in inventories	(84 201)	10 936	(83 419)	10 816
Increase in receivables	(3 434 808)	(3 286 924)	(3 429 172)	(3 291 931)
Increase/(decrease) in unspent conditional grants and receipts	48 768	(338 846)	48 768	(338 846)
(Decrease)/increase in deposits	(34 252)	56 250	(48 145)	48 103
Increase in payables	744 089	598 026	724 111	587 790
Decrease in net VAT	(87 128)	(85 198)	(86 198)	(85 402)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>5 036 623</b>	<b>5 240 235</b>	<b>4 963 828</b>	<b>5 248 276</b>

### 34. OPERATING LEASE COMMITMENTS

#### 34.1 THE ENTITY AS LESSEE

Future minimum lease payments under non-cancellable operating leases

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Buildings</b>	53 384	51 036	53 384	51 036
Payable within one year	34 318	33 525	34 318	33 525
Payable within two to five years	19 066	17 511	19 066	17 511
<b>Radio masts</b>	728	826	728	826
Payable within one year	567	406	567	406
Payable within two to five years	161	420	161	420
<b>TOTAL</b>	<b>54 112</b>	<b>51 862</b>	<b>54 112</b>	<b>51 862</b>

Minimum lease payments recognised as an expense during the period amounted to R48,17 million (2022: R42,09 million). Leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 34. OPERATING LEASE COMMITMENTS (CONTINUED)

### 34.2 THE ENTITY AS LESSOR

Future minimum lease income under non-cancellable operating leases

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Buildings</b>				
Receivable within one year	105 990	78 435	105 990	78 435
Receivable within two to five years	297 824	246 885	297 824	246 885
Receivable after five years	688 543	395 756	688 543	395 756
<b>TOTAL</b>	<b>1 092 357</b>	<b>721 076</b>	<b>1 092 357</b>	<b>721 076</b>

The Entity lets properties under operating leases. Property rental income earned during the year was R114,74 million (2022: R74,53 million). The tenants maintain the properties at their cost. No investment properties have been disposed of since the date of the statement of financial performance.

The impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has been an increase of R14,51 million in current-year income.

## 35. CONTINGENT LIABILITIES

### 35.1 DISPUTES

Claims by various parties are currently in dispute, and are subject to mediation or litigation. The potential extent of the liability cannot be determined, but a provisional estimate for the City based on management assessment is R187,24 million (2022: R282,20 million).

### 35.2 OUTSTANDING INSURANCE CLAIMS

The estimated liability for insurance claims amounts to R287,86 million (2022: R353,40 million). The estimated amount is based on quotations, medical reports and letters of demand received. The merits must still be determined, and could result in a lesser or greater amount.

## 36. PRINCIPAL-AGENT ARRANGEMENTS

### 36.1 PRINCIPAL ARRANGEMENTS

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>COLLECTION AGENTS</b>				
<b>Prepaid electricity</b>				
Cigicell, Ontec, Flash and Sandulela are service providers who serve as agents for the City in the third-party sale of prepaid electricity. All payments are made directly to the City, and the service provider invoices the City for commission payable.				
Commission paid to the agents	61 622	73 775	61 622	73 775
<b>Municipal accounts and fines</b>				
The City also has a service provider who serves as a third-party agent for the payment of the City's municipal accounts and traffic fines. All payments are paid into the third-party agent's bank account, and are then transferred to the City the next day. The agent invoices the City for commission payable and the reimbursement of bank costs.				
Commission paid to agent	59 926	59 880	59 926	59 880
<b>FREE BASIC ELECTRICITY</b>				
<b>Eskom areas</b>				
Eskom, on behalf of the City, provides free basic electricity to eligible customers within the municipal boundaries of the City. Electricity provision occurs through prepaid and conventional meters. Eligible customers are identified according to the municipal rates policy. Eskom provides this service in advance and is reimbursed by the City in an amount equal to the free service provided. Eskom receives no further compensation in terms of the agreement.				
<b>PAYMENT AGENT</b>				
<b>Province's Department of Infrastructure*</b>				
The City appointed Province's Department of Infrastructure to act as developer and payment agent on behalf of the City for various projects. The purpose of the arrangement is to fulfil grant requirements in providing the infrastructure for the specified projects. The agent must utilise the funds provided by the City for the sole purpose of installing infrastructure, and receives no further compensation in terms of the agreement.				
<i>*Includes Human Settlements.</i>				
<b>36.2 AGENT ARRANGEMENTS</b>				
<b>MOTOR VEHICLE REGISTRATION SERVICES</b>				
<b>Agent for Province's Department of Mobility*</b>				
The City acts as an agent for Province's Department of Mobility, providing motor vehicle registration services on its behalf.				
<i>*Previously the Department of Transport and Public Works.</i>				
<b>Reconciliation of amounts payable to the department</b>				
Balance owing at the beginning of year	-	-	-	-
Revenue received on behalf of principal (includes commission)	1 400 908	1 358 804	1 400 908	1 358 804
Revenue recognised by City as agency fee (includes VAT)	(301 716)	(285 404)	(301 716)	(285 404)
Revenue paid over to the principal	(1 099 192)	(1 073 400)	(1 099 192)	(1 073 400)
<b>Balance owing at the end of year</b>	-	-	-	-

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 36. PRINCIPAL-AGENT ARRANGEMENTS (CONTINUED)

#### 36.2 AGENT ARRANGEMENTS (CONTINUED)

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>LICENSING SERVICES</b>				
<b>Agent for Province's Department of Mobility*</b>				
The City acts as an agent for Province's Department of Mobility, providing licensing services on its behalf.				
<i>*Previously the Department of Transport and Public Works.</i>				
<b>Reconciliation of amounts payable to the department</b>				
Balance owing at the beginning of year	-	-	-	-
Revenue received on behalf of principal (includes commission)	37 741	36 777	37 741	36 777
Revenue recognised by City as agency fee (includes VAT)	(16 472)	(16 023)	(16 472)	(16 023)
Revenue paid over to the principal	(21 269)	(20 754)	(21 269)	(20 754)
<b>Balance owing at the end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COLLECTION AGENTS</b>				
<b>Agent for the Road Traffic Infringement Agency</b>				
The City started acts as an agent for the Road Traffic Infringement Agency, collecting traffic fines issued by other municipalities in terms of the Administrative Adjudication of Road Traffic Offences (AARTO) Act 46 of 1998. The City earns commission on all payments collected.				
<b>Reconciliation of amounts payable to the department</b>				
Balance owing at the beginning of year	272	-	272	-
Revenue received on behalf of principal (includes commission)	1 944	1 404	1 944	1 404
Revenue recognised by City as agency fee (includes VAT)	(66)	(34)	(66)	(34)
Revenue paid over to the principal	(2 150)	(1 098)	(2 150)	(1 098)
<b>Balance owing at the end of year</b>	<b>-</b>	<b>272</b>	<b>-</b>	<b>272</b>
<b>Agent for the Road Traffic Infringement Agency</b>				
The City acts as an agent for the national Department of Justice, collecting contempt-of-court fines imposed on traffic fine offenders who fail to appear in court. The City does not derive any revenue from this function.				
<b>Reconciliation of amounts payable to the department</b>				
Balance owing at the beginning of year	-	-	-	-
Revenue received on behalf of principal	26 372	21 131	26 372	21 131
Revenue paid over to the principal	(26 372)	(21 131)	(26 372)	(21 131)
<b>Balance owing at the end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 37. CHANGE IN ESTIMATES

#### ANNUAL REVIEW OF ASSETS' USEFUL LIVES AND RESIDUAL VALUES

The City's annual review of the useful lives of assets resulted in an increase of R9,47 million (2022: R0) in the depreciation charge to the statement of financial performance. The annual update of the residual values of assets, in turn, resulted in a decrease of R19,51 million (2022: R10,14 million) in the depreciation charge to the statement of financial performance. It is impracticable to estimate the effect of these changes on future periods.

During the reporting year, CTICC assessed the estimated useful lives of all assets and revised those identified. The change in estimate was necessary as these items were approaching the end of their useful lives and management determined that the assets were still going to be in use for an extended period beyond the reporting date as a result of the good condition and maintenance of these assets. The net effect of the changes in the current year was a reduction in the current depreciation charge amounting to R2,68 million (2022: R4,72 million). The effect on future years will be an overall increase in the depreciation charge of the same amount.

### 38. BUDGET INFORMATION

#### PRESENTATION OF STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The presentation format adopted for the statement of comparison of budget and actual amounts is based on the Municipal Budget Reporting and Regulation (MBRR) table B1, adjustments budget summary, as well as table B5, adjustments budget capital expenditure by vote, as included in the published budget.

#### 38.1 APPROVED AND FINAL BUDGET

The approved budget presented is the most recent adjustment budget approved by Council.

The final budget presented is the most recently approved budget adjusted for virements, and has not been formally reapproved by Council.

#### 38.2 VIREMENTS

The changes from the approved to final budget are due to virements in terms of Council-approved policy.

## 38. BUDGET INFORMATION (CONTINUED)

### 38.3 FINANCIAL STATEMENTS CLASSIFICATION

The actual amounts presented in the column "Actual per annual financial statements classification" correlate with the actual amounts presented in the statement of financial position, the statement of financial performance and the cash flow statement. They have been aggregated, disaggregated or grouped to correspond with the budget line-item descriptions.

The reconciliation in the table below illustrates that the budget and the financial statements amounts correspond for total revenues. The total expenses and net cash flows from operating activities, investing activities and financing activities all directly correlate with the line items in the financial statements.

	ECONOMIC ENTITY	CITY OF CAPE TOWN
	2023	2023
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>50 191 909</b>	<b>49 928 804</b>
Transfers recognised – capital	2 104 064	2 104 064
Contributions recognised – capital and contributed assets	58 235	58 235
<b>Total revenue per statement of financial performance</b>	<b>52 354 208</b>	<b>52 091 103</b>

### 38.4 BUDGET DIFFERENCES

The Municipal Standard Chart of Accounts (mSCOA) format and classification of the budget schedules as issued by National Treasury are not fully aligned with the standards of GRAP, hence the disparity in classification between the budget and the GRAP-standards annual financial statements.

The reconciliations below illustrate the classification and recognition differences between the budget and the financial statements amounts for total revenues, total expenses and net cash flows from operating activities, investing activities and financing activities.

#### 38.4.1 CLASSIFICATION DIFFERENCES

	ECONOMIC ENTITY	CITY OF CAPE TOWN
	2023	2023
<b>FINANCIAL PERFORMANCE</b>		
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>50 191 909</b>	<b>49 928 804</b>
Inventory consumed: mSCOA classification	4 139 885	4 139 885
Public contributions: operating (conditional)	50 355	50 355
Public contributions (unconditional)	124	124
<b>Budget</b>	<b>54 382 273</b>	<b>54 119 168</b>
<b>Total expenditure</b>	<b>48 612 041</b>	<b>48 387 663</b>
Inventory consumed: mSCOA classification	4 139 885	4 139 885
<b>Budget</b>	<b>52 751 926</b>	<b>52 527 548</b>
<b>Surplus before capital transfers and contributions</b>	<b>1 579 868</b>	<b>1 541 141</b>
Public contributions: operating (conditional)	50 355	50 355
Public contributions (unconditional)	124	124
<b>Budget</b>	<b>1 630 347</b>	<b>1 591 620</b>
<b>Transfers recognised – capital</b>	<b>2 104 064</b>	<b>2 104 064</b>
Public contributions: capital (conditional)	6 921	6 921
Public contributions: contributed assets	835	835
<b>Budget</b>	<b>2 111 820</b>	<b>2 111 820</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 38. BUDGET INFORMATION (CONTINUED)

#### 38.4 BUDGET DIFFERENCES (CONTINUED)

##### 38.4.1 CLASSIFICATION DIFFERENCES (CONTINUED)

	ECONOMIC ENTITY	CITY OF CAPE TOWN
	2023	2023
<b>FINANCIAL PERFORMANCE (CONTINUED)</b>		
<b>Contributions recognised – capital and contributed assets</b>	<b>58 235</b>	<b>58 235</b>
Public contributions: capital (conditional)	(6 921)	(6 921)
Public contributions: contributed assets	(835)	(835)
Public contributions: operating (conditional)	(50 355)	(50 355)
Public contributions (unconditional)	(124)	(124)
<b>Budget</b>	-	-
<b>CASH FLOW STATEMENT</b>		
<b>Net cash from operating</b>	<b>6 187 270</b>	<b>6 108 065</b>
Increase in deposits	48 145	48 145
<b>Budget</b>	<b>6 235 415</b>	<b>6 156 210</b>
<b>Net cash from investing</b>	<b>757 838</b>	<b>757 838</b>
Decrease in deposits	(48 145)	(48 145)
<b>Budget</b>	<b>709 693</b>	<b>709 693</b>

##### 38.4.2 RECOGNITION DIFFERENCES

	ECONOMIC ENTITY	CITY OF CAPE TOWN
	2023	2023
<b>Capital expenditure per financial statement</b>	<b>6 985 636</b>	<b>6 959 056</b>
Landfill site provision estimate	(22 435)	(22 435)
Contributed assets	(7 714)	(7 714)
<b>Budget</b>	<b>6 955 487</b>	<b>6 928 907</b>

### 38.5 EXPLANATION OF VARIANCES GREATER THAN 10%: FINAL BUDGET AND ACTUAL AMOUNTS

#### 38.5.1 STATEMENT OF FINANCIAL POSITION

##### ASSETS

##### i) Total current assets

The variance is because of higher-than-anticipated investments and cash at year-end, as well as a significant increase in receivables due to non-payment.

##### LIABILITIES

##### ii) Total current liabilities

The variance is because of a significant decrease in the provision for post-retirement medical aid.

##### iii) Total current liabilities

The variance is mainly because of an increase in customer deposits for the CTICC.

## 38. BUDGET INFORMATION (CONTINUED)

### 38.5 EXPLANATION OF VARIANCES GREATER THAN 10%: FINAL BUDGET AND ACTUAL AMOUNTS (CONTINUED)

#### 38.5.2 STATEMENT OF FINANCIAL PERFORMANCE

##### REVENUE

##### i) Investment revenue

The variance is because of higher interest rates on short-term and call accounts in the course of the 2022/23 financial year, resulting in higher-than-estimated interest revenue returns.

##### ii) Other own revenue

The variance is largely because of traffic fine accruals, being the direct result of a higher-than-estimated number of fines issued for different contraventions during the year.

##### EXPENDITURE

##### iii) Employee costs

The variance is largely because a credit adjustment required in the provision for post-retirement medical aid based on the latest actuarial valuation of the provision. The City provides post-retirement benefits by subsidising certain retired staff's medical-aid contributions. According to the rules of the medical schemes with which the City is associated, a scheme member is entitled to remain a member in retirement. Therefore the City will continue to subsidise medical-aid contributions in accordance with the provisions of the employee's employment contract and the City's decision on protected rights.

The value of vacancies in the financial year further contributed to the variance reflected under this expenditure category. The filling of vacancies is an ongoing process in the financial year.

##### iv) Debt impairment

The variance is because of a lower-than-budgeted provision for debt impairment realised on human settlements (15%), water and sanitation (6%), urban waste management (12%) and property rates debtors (52%). In addition, the higher-than-budgeted provision realised on electricity debtors (169%) and traffic fines (63%) contributed to the final variance, as indicated. The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and of their ability to make payments.

##### v) Transfers and grants

The variance is largely because of delays or late starts with the implementation of People's Housing Process (PHP) projects, as beneficiary-related issues and court orders halted some projects. Payments funded from the Philippi Agri-Hub Grant were also lower than planned as a result of an unresolved dispute between the City and National Treasury. In addition, a delay in the finalisation of an anchor tenant agreement for Cape Town Stadium meant that the funds provided for the year could not be fully utilised.

#### 38.5.3 CASH FLOW STATEMENT

##### i) Net cash from operating

The variance is mainly because of an increase in events hosted by the CTICC since the removal of Covid-19 restrictions.

### 38.6 EXPLANATION OF VARIANCES GREATER THAN 5%: FINAL BUDGET AND ACTUAL AMOUNTS

#### Capital expenditure

##### i) Community Services and Health

The variance is largely because of the late appointment of consultants and contractors, unspent contingencies, longer-than-anticipated community engagement, inclement weather affecting project progress, and items not delivered on time due to supplier constraints.

##### ii) Economic Growth

The variance is because of unspent contingencies, as well delays in the Informal Trading Permitting System (ITPS) enhancement after an information technology resource that had initially been assigned to the project withdrew for reasons beyond the City's control. Although the required resource was eventually secured towards the end of the 2022/23 financial year, the project could not be completed in time due to its complexity.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 38. BUDGET INFORMATION (CONTINUED)

#### 38.6 EXPLANATION OF VARIANCES GREATER THAN 5%: FINAL BUDGET AND ACTUAL AMOUNTS (CONTINUED)

##### Capital expenditure (Continued)

iii) Energy

The variance is largely because of poor contractor performance, the late award of tenders, supplier constraints, inclement weather affecting project progress, and the unutilised contingency provision for construction projects.

iv) Finance

The variance is because of the supplier's inability, due to inclement weather, to complete all planned work on the aerial photography project by 30 June 2023.

v) Future Planning and Resilience

The variance is mainly because of unspent contingency provisions, supplier constraints, as well as cost savings on completed projects.

vi) Human Settlements

The variance is largely because of the unilateral additional allocation of R111 million Informal Settlements Upgrade Partnership Grant (ISUPG) funding to the City, which left the City insufficient time to plan and implement new projects by 30 June 2023. Other factors were unutilised contingency provisions for construction projects, as well as items not delivered on time because of supplier constraints and stock unavailability.

vii) Office of the City Manager

The variance is because of the inability to complete work due to supplier constraints, delays experienced in applications for sub-division and rezoning, as well as cost savings on completed projects.

viii) Spatial Planning and Environment

The variance is predominantly because of poor contract performance that affected coastal upgrade programmes, extortion in some of the fencing projects, as well as a land acquisition for which the transfer of ownership to the City is still pending.

ix) Urban Mobility

The variance in the implementation of projects is because of the late appointment of contractors and professional service providers, long lead time in the delivery of equipment, gangster intimidation, extortion, community threats, and property acquisitions still being finalised.

x) Urban Waste Management

The variance is largely because of unutilised contingency provisions for construction projects, as well as damage to a refuse truck in transit, which can only be replaced in the new financial year.

xi) Water and Sanitation

The variance is predominantly because of unspent contingencies, delays due to the need for additional community engagements, obtaining of water use licences, inclement weather in May and June 2023, instances where the main contractor declined work packages, as well as items that were not delivered on time because of supplier constraints and stock unavailability.

xii) CTICC

The budget underspend is because of projects that commenced in the course of the year, but will only be completed in the next financial period.



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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 39. RELATED-PARTY DISCLOSURES

#### 39.1 MUNICIPAL AND OTHER ENTITIES

During the year, in the ordinary course of business, transactions between the City and the following entities occurred under terms and conditions that were no more favourable than those entered into with third parties in arm's-length transactions.

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)</b>				
The CTICC was established for Cape Town to become host to national and international conferences, with the objective of creating jobs, driving the local economy, and promoting Cape Town as a tourism city.				
<b>Percentage owned</b>			72,70%	72,70%
Arm's-length transactions for the year				
Receivables			3 217	2 308
Payables			672	-
Deposits			1 234	1 234
Service charges			28 609	16 933
Contracted services			-	1 191
Rental of letting stock and facilities			2 571	2 510
The City is leasing to the CTICC the land on which CTICC 1 (erf 263) and CTICC 2 (erf 270) are built, on the following terms:				
<ul style="list-style-type: none"> <li>• Erf 263 for a period of 99 years, commencing on 1 December 2001, at a nominal rental amount of R100 per annum</li> <li>• Erf 270 for a period of 30 years commencing on 31 October 2012, at a nominal rental amount of R5 000 per annum</li> </ul>				
<b>CAPE TOWN STADIUM (RF) SOC LTD (CTS)</b>				
The CTS municipal entity was established to manage and operate the stadium on behalf of the City. The vision of the stadium is to achieve worldwide recognition as a facility for the hosting of major sports events, and to become the premium venue of choice.				
<b>Percentage owned</b>			100%	100%
Arm's-length transactions for the year				
Receivables			11 895	15 414
Payables			4 641	7 805
Service charges			10 291	9 354
Other income			24 254	23 160
Grants and subsidies paid			33 196	41 915
The City is the sole shareholder in the CTS, which started operating as a municipal entity on 1 February 2018. The City is the holder of 100 ordinary shares issued with no par value.				
The City is leasing to the CTS erf 2188, Green Point, being the stadium precinct, for an initial period of 50 years commencing on 13 November 2019, with the option of renewal for an additional 49 years, at a nominal rental amount of R100 per annum.				



## 39. RELATED-PARTY DISCLOSURES (CONTINUED)

### 39.1 MUNICIPAL AND OTHER ENTITIES (CONTINUED)

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>CAPE METROPOLITAN TRANSPORT FUND (CMTF)</b>				
The CMTF was created in terms of section 18 of the Urban Transport Act 78 of 1977. The administration of the CMTF vests with the City. The principal activity of the CMTF is to fund the planning and provision of adequate urban transport facilities and all incidental matters.				
<b>Administrator</b>				
Arm's-length transactions for the year				
Funds held on behalf of CMTF	27 865	27 153	27 865	27 153
Transfers	5 590	6 210	5 590	6 210
Interest paid	1 817	1 033	1 817	1 033
Revenue collected	4 556	5 493	4 556	5 493

#### ATLANTIS SPECIAL ECONOMIC ZONE COMPANY (SOC) LTD

The Atlantis Special Economic Zone Company (SOC) Ltd (Atlantis SEZ) is a state-owned entity listed as a schedule 3D entity in terms of section 47(2) of the Public Finance Management Act. Its purpose is to develop a green technology special economic zone (SEZ) in close collaboration with the national Department of Trade, Industry and Competition (DTIC), Wesgro, the City and Province's Department of Economic Development and Tourism.

On 31 March 2022, the City acquired 45,4% of the Atlantic SEZ's issued ordinary no-par-value shares in an asset-for-shares transaction. The 83 no-par-value shares were acquired by way of transfer of the following three properties valued at R56,50 million:

- Portion of remainder Cape farm 1183 and remainder farm 4-93, located on the corner of Dassenberg Street and Charel Uys Drive, Atlantis Industrial, 221 500 m<sup>2</sup> in extent (purchase price: R13,28 million)
- Portion of Cape farm 1183-4-1 bounded by Gideon Basson Road and Neil Hare Road, Atlantis Industrial, 386 500 m<sup>2</sup> in extent (purchase price: R23,18 million)
- Portion of remainder erf 171, portion remainder erf 277, erf 254 and erf 246, all located along Neil Hare Road, Atlantis Industrial, 386 500 m<sup>2</sup> in extent (purchase price: R20,03 million)

The investment is carried at cost, amended for the City's share in the entity's profit or loss for the period in review.

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>As at 30 June</b>				
<b>Carrying amount</b>				
Opening balance	28 033	-		
Investment at cost	-	56 500		
Adjustment – fair value of net assets acquired	-	(28 124)		
Share of surplus/(deficit)	13 341	(343)		
<b>TOTAL</b>	<b>41 374</b>	<b>28 033</b>		

The value of the shares was independently determined and agreed by both parties. There were no other related-party transactions between the City and Atlantis SEZ apart from the sale of land in exchange for shares.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 39. RELATED-PARTY DISCLOSURES (CONTINUED)

### 39.1 MUNICIPAL AND OTHER ENTITIES (CONTINUED)

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Percentage owned</b>	45,4%	45,4%	45,4%	45,4%
Atlantis SEZ has a financial year-end of 31 March. The company has provided the City with its management accounts for the period 1 April to 30 June.				
<b>AGGREGATE FINANCIAL INFORMATION</b>				
<b>Statement of financial position</b>				
Total assets	185 047	75 515		
Total liabilities	93 826	13 708		
Total net assets	91 221	61 807		
<b>Statement of financial performance</b>				
Total revenue	60 082	11 901		
Total expenditure	30 667	12 657		
Surplus/(deficit) for the period	29 415	(756)		
<b>Statement of other comprehensive income</b>				
Share of surplus/(deficit) in associate	13 341	(343)		



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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 39. RELATED-PARTY DISCLOSURES (CONTINUED)

#### 39.2 EXECUTIVE MANAGEMENT

##### 39.2.1 RELATED-PARTY TRANSACTIONS WITH CLOSE FAMILY MEMBERS OF EXECUTIVE MANAGEMENT

No members of City management have significant influence over the financial or operating policies of the municipal entities.

The following reported transactions occurred on an arm's-length basis between the City and close family members of key management staff members.

##### 39.2.1.1 COUNCILLORS

<b>AS AT 30 JUNE 2023</b>		
Name	Nature of relation	Key management
VREDEKLOOF CID	Spouse	CIlr C Brynard
Arm's-length transactions for the year		
Transfers in terms of Vredeklouf CID memorandum of agreement		4 782
Amount owing		-

##### As at 30 June 2022

Name	Nature of relation	Key management
VREDEKLOOF CID	Spouse	CIlr C Brynard
Arm's-length transactions for the year		
Transfers in terms of Vredeklouf CID memorandum of agreement		4 678
Amount owing		-

AFRIWORLD BUSINESS SOLUTIONS (PTY) LTD	Child	CIlr R Davids
Arm's-length transactions for the year		
Rendering of service		1 684
Amount owing		939

AFRIWORLD BUSINESS SOLUTIONS (PTY) LTD	Child	CIlr R Davids
Arm's-length transactions for the year		
Rendering of service		1 908
Amount owing		1 095

##### 39.2.1.2 EXECUTIVE DIRECTOR

<b>AS AT 30 JUNE 2023</b>		
Name	Nature of relation	Key management
EMPIRE	Sister-in-law	V Botto
Arm's-length transactions for the year		
Rendering of service		559
Amount owing		17

## 39. RELATED-PARTY DISCLOSURES (CONTINUED)

### 39.2 EXECUTIVE MANAGEMENT (CONTINUED)

#### 39.2.2 REMUNERATION OF EXECUTIVE MANAGEMENT

##### 39.2.1.2 EXECUTIVE DIRECTOR (CONTINUED)

As at 30 June 2022

Name	Nature of relation	Key management
EMPIRE	Sister-in-law	V Botto
Arm's-length transactions for the year		
Rendering of service		399
Amount owing		16

##### 39.2.2.1 REMUNERATION OF COUNCILLORS AND BOARD MEMBERS

#### SUMMARY OF REMUNERATION BENEFITS

	Annual salary	Car allowance	Social contribution	Subtotal	Retrospective salary increase <sup>1</sup>	Total
<b>2023</b>						
Mayco members	12 771	19	400	<b>13 190</b>	-	<b>13 190</b>
Councillors	144 908	218	2 839	<b>147 965</b>	5 740	<b>153 705</b>
	157 679	237	3 239	<b>161 155</b>	5 740	<b>166 895</b>
Controlled entities: board members	976	-	-	<b>976</b>	-	<b>976</b>
<b>TOTAL</b>	<b>158 655</b>	<b>237</b>	<b>3 239</b>	<b>162 131</b>	5 740	<b>167 871</b>

<sup>1</sup> Government Gazette 49142 dated 18 August 2023 proclaimed a retrospective salary increase of 3,8% for councillors with effect from 1 July 2022. An amount of R5,74 million was provided for and included in note 16.

	Annual salary	Car allowance	Social contribution	Total
<b>2022</b>				
Mayco members	13 002	159	491	<b>13 652</b>
Councillors	140 699	136	2 986	<b>143 821</b>
	153 701	295	3 477	<b>157 473</b>
Controlled entities: board members	938	-	-	<b>938</b>
<b>TOTAL</b>	<b>154 639</b>	<b>295</b>	<b>3 477</b>	<b>158 411</b>

Councillors are remunerated according to the Remuneration of Public Office Bearers Act 20 of 1998. As councillors have only collective executive powers for planning, directing and controlling the activities of the City, their remuneration is not disclosed individually, but in aggregate.

There are 231 councillor positions, whose aggregate remuneration amounted to R157,68 million for the period in review. The average remuneration per councillor is R0,698 million (2022: R0,682 million) per annum.

Mayco members have such individual executive powers as granted by their delegation. Therefore, their remuneration is disclosed individually in the table on the following page.

A full list of councillors is disclosed on pages 141 to 143 under "General information".

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 39. RELATED-PARTY DISCLOSURES (CONTINUED)

### 39.2 EXECUTIVE MANAGEMENT (CONTINUED)

#### 39.2.2 REMUNERATION OF EXECUTIVE MANAGEMENT (CONTINUED)

##### 39.2.2.1 REMUNERATION OF COUNCILLORS (CONTINUED)

##### MAYORAL COMMITTEE MEMBERS REMUNERATION

##### ANALYSIS OF REMUNERATION BENEFITS

	Annual salary	Car allowance	Social contribution	Total
<b>2023</b>				
<b>Executive Mayor; Future Planning and Resilience</b>				
Ald G Hill-Lewis	1 487	-	-	1 487
<b>Deputy Mayor; Spatial Planning and Environment</b>				
Cllr E Andrews	1 209	-	-	1 209
<b>Economic Growth</b>				
Ald J Vos	1 141	-	-	1 141
<b>Finance</b>				
Cllr S Mbandezi	1 018	-	123	1 141
<b>Corporate Services</b>				
Ald T Uys	1 141	-	-	1 141
<b>Community Services and Health</b>				
Cllr P van der Ross	1 141	-	-	1 141
<b>Energy</b>				
Cllr B van Reenen	1 141	-	-	1 141
<b>Human Settlements</b>				
Cllr M Booï	753	-	54	807
<b>Safety and Security</b>				
Ald JP Smith	1 023	19	99	1 141
<b>Urban Mobility</b>				
Cllr R Quintas	1 141	-	-	1 141
<b>Urban Waste Management</b>				
Ald G Twigg	1 018	-	124	1 142
<b>Water and Sanitation</b>				
Cllr ZA Badroodien	558	-	-	558
<b>TOTAL</b>	<b>12 771</b>	<b>19</b>	<b>400</b>	<b>13 190</b>

## 39. RELATED-PARTY DISCLOSURES (CONTINUED)

### 39.2 EXECUTIVE MANAGEMENT (CONTINUED)

#### 39.2.2.1 REMUNERATION OF COUNCILLORS (CONTINUED)

#### MAYORAL COMMITTEE MEMBERS REMUNERATION (CONTINUED)

#### ANALYSIS OF REMUNERATION BENEFITS (CONTINUED)

	Annual salary	Car allowance	Social contribution	Total
<b>2022</b>				
<b>CURRENT STRUCTURE</b>				
<b>Executive Mayor</b>				
Ald G Hill-Lewis	921	-	-	921
<b>Deputy Mayor; Spatial Planning and Environment</b>				
Cllr E Andrews	749	-	-	749
<b>Economic Growth</b>				
Ald J Vos	694	-	-	694
<b>Finance</b>				
Cllr S Mbandezi	619	-	75	694
<b>Corporate Services</b>				
Ald T Uys	694	-	-	694
<b>Community Services and Health</b>				
Cllr P van der Ross	694	-	-	694
<b>Energy</b>				
Cllr B van Reenen	694	-	-	694
<b>Human Settlements</b>				
Cllr M Booï	1 026	-	74	1 100
<b>Safety and Security</b>				
Ald JP Smith	846	159	95	1 100
<b>Urban Mobility</b>				
Cllr R Quintas	694	-	-	694
<b>Urban Waste Management</b>				
Ald G Twigg	619	-	75	694
<b>Water and Sanitation</b>				
Cllr ZA Badroodien	694	-	-	694
	<b>8 944</b>	<b>159</b>	<b>319</b>	<b>9 422</b>
<b>PREVIOUS STRUCTURE</b>				
<b>Executive Mayor</b>				
Ald D Plato	529	-	-	529
<b>Deputy Mayor; Finance</b>				
Ald ID Neilson	384	-	46	430
<b>Economic Opportunities and Asset Management</b>				
Ald J Vos	406	-	-	406
<b>Corporate Services</b>				
Cllr SA Cottle	406	-	-	406
<b>Community Services and Health</b>				
Cllr ZA Badroodien	406	-	-	406
<b>Energy and Climate Change</b>				
Cllr P Maxiti	405	-	-	405
<b>Spatial Planning and Environment</b>				
Ald M Nieuwoudt	371	-	35	406
<b>Transport</b>				
Ald F Purchase	383	-	47	430
<b>Urban Management</b>				
Ald G Twigg	362	-	44	406
<b>Water and Waste</b>				
Ald X Limberg	406	-	-	406
	<b>4 058</b>	<b>-</b>	<b>172</b>	<b>4 230</b>
<b>TOTAL</b>	<b>13 002</b>	<b>159</b>	<b>491</b>	<b>13 652</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 39. RELATED-PARTY DISCLOSURES (CONTINUED)

### 39.2 EXECUTIVE MANAGEMENT (CONTINUED)

#### 39.2.2 REMUNERATION OF EXECUTIVE MANAGEMENT (CONTINUED)

##### 39.2.2.2 REMUNERATION OF EXECUTIVE DIRECTORS

###### ANALYSIS OF REMUNERATION BENEFITS

	Bonus	Annual salary	Relocation and car allowance	Social contribution	Travel and subsidiaries	Total
<b>2023</b>						
<b>City Manager</b>						
L Mbandazayo	229	3 861	-	419	18	4 527
<b>Community Services and Health</b>						
Z Mandlana <sup>1,2</sup>	-	2 465	-	199	-	2 664
<b>Corporate Services</b>						
E Sass	192	3 121	-	429	-	3 742
<b>Energy</b>						
KM Nassiep	-	3 172	222	2	56	3 452
<b>Economic Growth</b>						
R Gelderbloem	-	2 625	-	210	26	2 861
<b>Finance</b>						
K Jacoby	320	2 988	173	295	-	3 776
<b>Future Planning and Resilience</b>						
G Morgan	-	2 840	-	217	3	3 060
<b>Human Settlements</b>						
NZ Gqiba	-	3 074	-	2	8	3 084
<b>Safety and Security Services</b>						
V Botto	-	2 706	-	370	17	3 093
<b>Spatial Planning and Environment</b>						
R McGaffin <sup>1</sup>	-	2 185	-	2	-	2 187
E Naude <sup>2</sup>	-	342	33	49	-	424
<b>Urban Mobility</b>						
D Campbell	-	2 648	-	252	25	2 925
<b>Urban Waste Management</b>						
L Mdunyelwa <sup>1,3</sup>	-	1 820	91	309	-	2 220
R Keraan <sup>2</sup>	-	297	44	3	-	344
<b>Water and Sanitation</b>						
M Webster	-	2 489	88	337	14	2 928
	<b>741</b>	<b>36 633</b>	<b>651</b>	<b>3 095</b>	<b>167</b>	<b>41 287</b>
<b>CTICC</b>						
Chief executive officer: TM Motlhabane	-	2 455	-	-	-	2 455
Key management: seven staff members	-	6 009	-	-	-	6 009
<b>CTS</b>						
Chief executive officer: L de Reuck	-	1 979	-	285	-	2 264
Key management: one staff member	-	1 433	-	16	-	1 449
<b>TOTAL</b>	<b>741</b>	<b>48 509</b>	<b>651</b>	<b>3 396</b>	<b>167</b>	<b>53 464</b>

<sup>1</sup> Appointed on 01/09/2022.

<sup>2</sup> Acted as executive director in the course of the year.

<sup>3</sup> Acted as executive director without compensation in the course of the year.



## 39. RELATED-PARTY DISCLOSURES (CONTINUED)

### 39.2 EXECUTIVE MANAGEMENT (CONTINUED)

#### 39.2.2.2 REMUNERATION OF EXECUTIVE DIRECTORS (CONTINUED)

##### ANALYSIS OF REMUNERATION BENEFITS (CONTINUED)

	Annual salary	Relocation and car allowance	Social contribution	Total
<b>2022</b>				
<b>CURRENT STRUCTURE</b>				
<b>City Manager</b>				
L Mbandazayo	3 086	-	399	3 485
<b>Community Services and Health</b>				
E Sass	2 981	-	417	3 398
<b>Corporate Services</b>				
Z Mandlana <sup>3</sup>	751	-	60	811
<b>Energy</b>				
KM Nassiep <sup>2</sup>	1 135	-	1	1 136
<b>Economic Growth</b>				
R Gelderbloem <sup>2</sup>	877	-	109	986
<b>Finance</b>				
K Jacoby	3 340	81	285	3 706
<b>Future Planning and Resilience</b>				
G Morgan <sup>3</sup>	727	-	86	813
<b>Human Settlements</b>				
NZ Gqiba	2 843	-	2	2 845
<b>Safety and Security Services</b>				
V Botto <sup>3</sup>	1 982	-	305	2 287
<b>Spatial Planning and Environment</b>				
E Naude <sup>3</sup>	1 944	199	281	2 424
<b>Urban Mobility</b>				
D Campbell <sup>2</sup>	1 034	-	100	1 134
<b>Urban Waste Management</b>				
R Keraan <sup>3</sup>	858	137	9	1 004
<b>Water and Sanitation</b>				
M Webster <sup>2</sup>	951	37	135	1 123
	<b>22 509</b>	<b>454</b>	<b>2 189</b>	<b>25 152</b>
<b>PREVIOUS STRUCTURE</b>				
<b>Corporate Services</b>				
G Morgan <sup>3</sup>	494	-	58	552
C Kesson <sup>4</sup>	1 013	-	112	1 125
<b>Energy and Climate Change</b>				
KM Nassiep <sup>1</sup>	1 728	-	1	1 729
<b>Economic Opportunities and Asset Management</b>				
R Gelderbloem <sup>1</sup>	1 227	-	153	1 380
<b>Transport</b>				
D Campbell <sup>1</sup>	1 447	-	140	1 587
<b>Urban Management</b>				
L Mdunyelwa <sup>3</sup>	226	18	43	287
B Gerber <sup>3</sup>	1 021	-	1	1 022
<b>Water and Waste</b>				
M Webster <sup>1</sup>	1 342	51	190	1 583
	<b>31 007</b>	<b>523</b>	<b>2 887</b>	<b>34 417</b>
<b>CTICC</b>				
Chief executive officer: TM Motlhabane	2 174	-	-	2 174
Key management: four staff members	5 838	-	-	5 838
<b>CTS</b>				
Chief executive officer: L de Reuck	1 979	-	285	2 264
Key management: one staff member	1 433	-	16	1 449
<b>TOTAL</b>	<b>42 431</b>	<b>523</b>	<b>3 188</b>	<b>46 142</b>

<sup>1</sup> Contract terminated 31/01/2022 due to restructuring.  
<sup>2</sup> Appointed on 01/02/2022.

<sup>3</sup> Acted as executive director in the course of the year.  
<sup>4</sup> Contract terminated in the course of the year.

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 40. EVENTS AFTER REPORTING DATE

At the time of preparing and submitting the annual financial statements, there were no subsequent events to disclose.

### 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS

#### 41.1 POLITICAL PARTIES' ARREARS

Included in the debtors' arrears is an amount of R10 937,77 (2022: R24 251,88) outstanding for more than 90 days, owed by the representative political parties to the Entity.

#### 41.2 BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) ACT

Information on compliance with the B-BBEE Act is included in the annual report under "Appendix J: B-BBEE compliance performance report".

#### 41.3 MUNICIPAL FINANCE MANAGEMENT ACT

##### 41.3.1 SECTION 124(1)(B)

##### 41.3.1.1 DISCLOSURE CONCERNING COUNCILLORS' MUNICIPAL ACCOUNTS IN ARREARS

### 2023

During the **financial year**, the following councillors were in arrears for more than 90 days, but have since paid their accounts:

- Y Adams
- AS Addinall
- NM Botya
- MJ Petersen

**As at 30 June 2023**, no councillors were 90 days or more in arrears for rates or services.

### 2022

During the **financial year**, no councillors were 90 days or more in arrears for rates or services.

During the **reporting year**, the following councillors, who had been elected after the 2021 municipal elections, were in arrears, but have since paid their accounts:

- SF August
- S Little
- M Mabungani
- BB Maqungwana
- SG Markgraff
- L Martin
- MAMkutswana
- NC Mvinjelwa
- MJ Petersen
- MJ Sampson
- NP Sono
- D de Vos

**As at 30 June 2022**, no councillors were 90 days or more in arrears for rates or services.

## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.3 MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

#### 41.3.2 SECTION 125

##### 41.3.2.1 IRREGULAR EXPENDITURE

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
Opening balance	232 636	587 266	232 636	587 266
Prior year: adjustment <sup>1</sup>	(8 225)	-	(8 225)	-
	224 411	587 266	224 411	587 266
Expenditure incidents identified in the current year, relating to:	11 989	33 285	11 989	33 274
Current year	2 421	26 866	2 421	26 855
Prior year	9 568	6 419	9 568	6 419
	236 400	620 551	236 400	620 540
Resolved by Council	(184 767)	(387 915)	(184 767)	(387 904)
<b>Closing balance</b>	<b>51 633</b>	<b>232 636</b>	<b>51 633</b>	<b>232 636</b>
<b>INCIDENTS</b>				
Legal services procurement not in terms of supply chain management (SCM) regulations	271	746	271	746
Expenditure incurred after contract expiry	4 720	8 279	4 720	8 279
Non-compliance with SCM regulations and sections 33 and 116(3) of the MFMA	6 998	24 260	6 998	24 249
<b>TOTAL</b>	<b>11 989</b>	<b>33 285</b>	<b>11 989</b>	<b>33 274</b>
The irregular expenditure is disclosed inclusive of VAT.				
<sup>1</sup> A forensic matter that was incorrectly classified as irregular expenditure in 2021.				
<b>41.3.2.2 FRUITLESS AND WASTEFUL EXPENDITURE</b>				
Opening balance	12 712	11 822	12 712	11 822
Prior year: adjustment	(22)	-	(22)	-
	12 690	11 822	12 690	11 822
Expenditure incidents identified in the current year, relating to:	593	4 340	593	4 340
Current year	123	622	123	622
Prior year	470	3 718	470	3 718
	13 283	16 162	13 283	16 162
Resolved by Council	(970)	(3 450)	(970)	(3 450)
<b>Closing balance</b>	<b>12 313</b>	<b>12 712</b>	<b>12 313</b>	<b>12 712</b>
<b>INCIDENTS</b>				
Other	31	-	31	-
Interest	31	-	31	-
Duplicate/overpayments	531	4 340	531	4 340
<b>TOTAL</b>	<b>593</b>	<b>4 340</b>	<b>593</b>	<b>4 340</b>
The fruitless and wasteful expenditure is disclosed inclusive of VAT.				



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# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.3 MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

#### 41.3.2 SECTION 125 (CONTINUED)

##### 41.3.2.3 MATERIAL LOSSES

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
<b>Water losses</b>	<b>103 724</b>	<b>146 786</b>	<b>103 724</b>	<b>146 786</b>

In the current year, the material losses were 6,54% (2022: 6,47%). These are predominantly due to unauthorised usage and metering inaccuracies.

<b>Electricity losses</b>	<b>585 601</b>	<b>535 318</b>	<b>585 601</b>	<b>535 318</b>
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In the current year, the energy losses were 11,46% (2022: 11,14%). These losses are the result of system operation, theft and vandalism. The production losses amounted to R767,79 million (2022: R749,51 million).

*Comparative amended: Amount and percentage had to be updated due to double-counting of the free basic electricity portion of vending sales in the monthly sales reports.*

## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.3 MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

#### 41.3.2 SECTION 125 (CONTINUED)

##### 41.3.2.4 OTHER COMPULSORY DISCLOSURES

	ECONOMIC ENTITY			
	South African Local Government Association (SALGA) contributions	Audit fees	Pay-as-you-earn (PAYE) and Unemployment Insurance Fund (UIF)	Pension and medical aid
<b>AS AT 30 JUNE 2023</b>				
Opening balance	(16 370)	215	193 981	358 100
Subscriptions/fees	16 370	24 146	2 602 637	4 530 219
Amount paid: current year	-	(24 146)	(2 391 663)	(4 144 726)
in advance	(17 663)	-	-	-
previous years	-	(215)	(193 981)	(358 100)
<b>Balance unpaid (included in payables)</b>	<b>(17 663)</b>	<b>-</b>	<b>210 974</b>	<b>385 493</b>
<b>As at 30 June 2022</b>				
Opening balance	(15 517)	217	184 608	344 915
Subscriptions/fees	15 517	23 234	2 388 485	4 264 725
Amount paid: current year	-	(23 019)	(2 194 504)	(3 906 625)
in advance	(16 370)	-	-	-
previous years	-	(217)	(184 608)	(344 915)
<b>Balance unpaid (included in payables)</b>	<b>(16 370)</b>	<b>215</b>	<b>193 981</b>	<b>358 100</b>
	CITY OF CAPE TOWN			
	South African Local Government Association (SALGA) contributions	Audit fees	Pay-as-you-earn (PAYE) and Unemployment Insurance Fund (UIF)	Pension and medical aid
<b>AS AT 30 JUNE 2023</b>				
Opening balance	(16 370)	215	193 981	358 100
Subscriptions/fees	16 370	22 791	2 602 295	4 522 268
Amount paid: current year	-	(22 791)	(2 391 321)	(4 136 775)
in advance	(17 663)	-	-	-
previous years	-	(215)	(193 981)	(358 100)
<b>Balance unpaid (included in payables)</b>	<b>(17 663)</b>	<b>-</b>	<b>210 974</b>	<b>385 493</b>
<b>As at 30 June 2022</b>				
Opening balance	(15 517)	217	184 608	344 915
Subscriptions/fees	15 517	21 784	2 388 198	4 257 701
Amount paid: current year	-	(21 569)	(2 194 217)	(3 899 601)
in advance	(16 370)	-	-	-
previous years	-	(217)	(184 608)	(344 915)
<b>Balance unpaid (included in payables)</b>	<b>(16 370)</b>	<b>215</b>	<b>193 981</b>	<b>358 100</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

#### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS

##### 41.4.1 DEVIATIONS AND MINOR BREACHES

	ECONOMIC ENTITY		CITY OF CAPE TOWN	
	2023	2022	2023	2022
In terms of section 36 of the municipal SCM regulations, any deviation from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer or his delegate (SCM director) and noted by Council.				
<b>Deviations: Municipal SCM regulation 36(1)(a)<sup>1</sup></b>	<b>159 254</b>	<b>318 773</b>	<b>139 424</b>	<b>310 659</b>
Emergency	1 922	3 807	1 922	3 525
Single provider	57 108	80 408	51 067	77 584
Exceptional case (impractical or impossible)	100 224	234 558	86 435	229 550
<b>Minor breaches: Municipal SCM regulation 36(1)(b)<sup>2</sup></b>	<b>382 633</b>	<b>1 801</b>	<b>381 044</b>	<b>-</b>
Minor breaches by an official or committee acting in terms of its delegated powers or duties, which is purely of a technical nature.	382 633	1 801	381 044	-
<b>TOTAL deviation/minor breaches approved by the accounting officer or his delegated authority, noted by Council and board members</b>	<b>541 887</b>	<b>320 574</b>	<b>520 468</b>	<b>310 659</b>

All deviations considered by the accounting officer are processed in terms of the SCM regulations and the SCM policy. This process entails being assessed by the delegated authority in terms of the stipulated criteria for emergency procurement, availability from only one provider, exceptional circumstances where it is impracticable or impossible to follow the official procedure, or correction of minor technical breaches.

All minor breaches are considered by the delegated authority and processed in terms of the SCM regulations and the SCM policy. Minor breaches are not an indication of tender irregularities or fraud. Minor breaches are purely of technical nature and does not impact the outcome or fairness of the award.

The annual financial statements disclose rates-based deviations/minor breaches at zero value as the value of the award is not quantifiable on the date the award was approved by the delegated authority.

<sup>1</sup> Comparative amount has been amended from R575,16 million due to rate-based deviations being disclosed at a zero value.

<sup>2</sup> Comparative amount has been amended from R58,50 million due to rate-based minor breaches being disclosed at a zero value.



## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

#### 41.4.2 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE

In terms of section 45 of the municipal SCM regulations, any award above R2 000 to family of employees in the service of the state must be disclosed in the consolidated annual financial statements. The following is a list as recorded on the declaration-of-interest form:

ECONOMIC ENTITY		
Connected person	Position held in State	2023
<b>CITY</b>	Consult City of Cape Town schedule below for details.	<b>2 112 849</b>
<b>CTICC</b>		
M Brink	Doctor at Red Cross Children's Hospital	906
N Crouch	SA Medical Research Council	1 874
T Harris	Former CEO of Wesgro	160
MA Matookane and JK Netshitenzhe	Project manager: Ekurhuleni Metropolitan Municipality, and director at Department of Energy	160
K Mohulatse	Deputy chief education specialist: Department of Education	1 754
P Naidoo	Project manager: City of Cape Town	1 306
IC Palmiery	Wayed committee representative	1 439
E Selepe	City of Tshwane	1 375
		<b>8 974</b>
<b>TOTAL</b>		<b>2 121 823</b>

#### AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES

CITY OF CAPE TOWN		
Connected person	Position held in State	2023
<b>AAE CATERING</b>		<b>821</b>
Y Ebrahim	City regional operations manager	
<b>AFRIVEST BUSINESS SOLUTIONS</b>		<b>1 794</b>
R Davids	City councillor	
<b>AFRIWORLD BUSINESS SOLUTIONS (PTY) LTD</b>		<b>12 480</b>
R Davids	City councillor	
<b>AGL BUILDING REPAIRS AND MAINTENANCE SUP</b>		<b>146</b>
G Elloker	City administrative officer	
<b>ANLO PRINT and MAIL CC</b>		<b>441</b>
N Taylor	City administrative officer	
<b>BARENDS F</b>		<b>30</b>
T Barends	City SAP developer	
<b>BOB C IMPORT/EXPORT AGENCIES CC</b>		<b>1 057</b>
C Padiachy	City clerk	

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

#### 41.4.2 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>BOWMAN GILFILLAN INC (LEGAL AND LAND)</b>		4 459
T Sass	City head of Compliance and Probity	
A Visser	City maintenance manager (Wastewater)	
	<u>Other state entities</u>	
H Ben-David	South African Airways: captain	
L Bozalek	Western Cape high court: judge	
HJ Carim	Department of Basic Education: deputy principal	
M de Villiers	Council for Scientific and Industrial Research (CSIR): project and process manager (human resources)	
C Dyer	National Department of Education: deputy director of communications	
N Lumeza	Department of Basic Education: educator	
B Malope-Kgokong	National Health Laboratory Service: national manager	
G Mellem	Western Cape Education Department: teacher	
T Mtshali	KwaZulu-Natal Department of Education: deputy principal	
LWS Ngubane	Department of Basic Education: educator	
M Nyali	Eastern Cape Department of Education: teacher	
J Odendal	ARMSCOR SOC Ltd: senior management (technical)	
C Rodrigues	South African Police Service: forensic analyst	
B Sepuba	Gauteng Department of Finance: specialist recruiter	
E Steyn	Western Cape high court: judge	
E Tipru	City Power SAP Engineering Services: senior application analyst	
M van Aardt	Baragwanath hospital complex: doctor	
J van de Heuvel	Department of Justice: magistrate	
S Zondo	City of Johannesburg: operations manager	
<b>CHARLMLU BUILDERS</b>		86
C Absolom	City administrative clerk	
<b>COMPUTER SPECIALISTS (PTY) LTD</b>		605
N Orrie	City senior superintendent (Wastewater)	
<b>CPR TRUCK REPAIRS</b>		293
B Manuel	City administrative officer	

## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

#### 41.4.2 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

##### AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>DESIGNTEC PRINTING CC</b>		908
M Mshweshwe	City manager of Access to Information	
<b>EAS INFRASTRUCTURE ENGINEERS</b>		11 758
J Brown	City Human Settlements coordinator	
<b>FAYDIES CORPORATE GIFTS</b>		4 458
MF Votersen	City Finance manager	
<b>GIBB</b>		38 519
A Moon	City head of Business Continuity	
	<u>Other state entities</u>	
D Allderman	Eastern Cape Department of Education: teacher	
I Brink	Free State Department of Education: teacher	
C Clark	Eskom: instrument technician	
L Cloete	Department of Higher Education and Training: lecturer	
J Gooch	Department of Transport and Public Works: head of department	
C Hering	Department of Transport and Public Works: electrical engineer	
S Jafta	Eastern Cape Department of Transport: assistant manager	
N Mkhize	National Department of Forestry, Fisheries and the Environment: accounting clerk	
D O'Reilly	South African Police Service: warrant officer	
A Petersen	Department of Education: subject specialist	
S Singh	Department of Education: human resource officer	
<b>HAYES INCORPORATED</b>		1 567
F Akherwaray	City support assistant	
<b>HEROLD GIE ATTORNEYS</b>		6 507
K Meyer	City senior clerk	
<b>INNOVATIVE TRANSPORT SOLUTION</b>		27 331
M van der Merwe	City clinical medical officer	
<b>ISIDIMA CIVILS (PTY) LTD</b>		1 084
S Manuel	City administrative officer	
<b>ISUZU TRUCK CENTRE</b>		261 171
E Jacobs	City senior clerk	
<b>ITHALOMSO (PTY) LTD</b>		109 584
S Fumba	City GIS administrator	
<b>KALEIDOSCOPE EDUCATIONAL SERVICES</b>		1 018
A Adams	City senior professional officer: Spatial Planning and Development	
A Adams	City senior professional officer: Public Transport Operations	
<b>KEMANZI (PTY) LTD</b>		6 079
J du Toit	City traffic inspector	

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

#### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

##### 41.4.2 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>LILIAN4ZONKE</b>		286
F Monk	City subcouncil manager	
N Monk	City EPWP clerk	
	<u>Other state entities</u>	
N Jantjies	Western Cape Education Department: teacher	
<b>LYNERS</b>		2 012
A Potgieter	City professional officer: Urban Mobility	
<b>MARKET TOYOTA CULEMBORG</b>		42
E Jacobs	City senior clerk	
<b>NCC ENVIRONMENTAL SERVICES (PTY) LTD</b>		31 634
C Rhoda	City manager of Invasive Species Programme	
<b>PEGASYS</b>		69 195
P Grey	City professional officer	
	<u>Other state entities</u>	
D Quin	National Prosecuting Authority: senior crime analyst	
E Warambwa	Municipal Infrastructure Support Agent: professional engineer	
B Weston	Department of Water and Sanitation: scientific manager	
<b>REEDS BELLVILLE</b>		381
E Jacobs	City senior clerk	
<b>REEDS CLAREMONT</b>		338
E Jacobs	City senior clerk	
<b>REEDS N1 CITY</b>		427
E Jacobs	City senior clerk	
<b>RNR AMBITION</b>		13
C de Vos	City Recreation and Parks worker (Kogel Bay resort)	
<b>RR MARINE ENGINEERING</b>		3
S Frydie	City technical assistant	
<b>SAN BUILDING MAINTENANCE CC</b>		11 211
B Ascott	City financial coordinator	

## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

#### 41.4.2 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

##### AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>SANCCOB</b>		456
P Cilliers	City SAP ERP analyst	
	<u>Other state entities</u>	
L Roberts	Department of Agriculture: state veterinarian	
<b>SMART CIVIL CONSTRUCTION</b>		9 878
N Molefe	City head of Debt Management Services	
<b>SR CIVIL CONTRACTORS (PTY) LTD</b>		3 151
E de Wet	City senior fleet officer	
<b>SUNSHINE HELLO DESIGN</b>		15
MS Maroof	City professional officer: Customer Relations	
<b>TEMPUS DYNAMICS</b>		1 632
M Mvalo	City professional officer: Expenditure	
<b>TRAFFIC MANAGEMENTTECHNOLOGIES</b>		116 403
G Aspeling	City principal mechanical engineer	
<b>WEBBER WENTZEL</b>		18 542
N Dias	City senior legal advisor	
	<u>Other state entities</u>	
J Abraham	Lorraine Primary School: secretary	
J Botha	Western Cape Education Department: teacher	
P Coetzee	Tshwane Metro Police Department: commander colonel	
B Mahlangu	School principal	
P Masedi	City of Johannesburg: performance manager	
K Nonyane	Petro SA: senior planning technician	
H Prinsloo	Development Bank of Southern Africa: principal risk analyst	
S Qolohle	National Treasury: director	
A Smit	South African Airways: senior cabin crew member	
JCL Smit	Beaufort West Municipality: director	
A Truter	West Coast Education District: chief education specialist	
C Truter	Newton Primary School: principal	
P van den Brink	Wesgro: project manager	
B Watson	Public Investment Corporation: director	
<b>YIZA APHA TRADING</b>		443
A Kelland	City senior clerk	
<b>Subtotal</b>		<b>758 258</b>

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

#### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

##### 41.4.2 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

##### AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>ASEP ELECTRICAL</b>		8 340
Z September	Western Cape Education Department: teacher	
<b>ATHLONE AUTO TRANSMISSION</b>		2 017
N Joseph	Western Cape Department of Economic Development: chief director	
<b>BERGSTAN SOUTH AFRICA CONSULTING &amp; D</b>		2 087
JR Beukes	Department of Social Development	
<b>BOKAMOSO ENTERPRISE SOLUTIONS</b>		226
M Thobejane	Department of Land Affairs and Rural Development	
<b>BRAINPLAY</b>		165
GJ Pieterse	Western Cape Education Department: teacher	
<b>BSP CONSULTING ENGINEERS (PTY) LTD</b>		4 605
A Plaatjies	Western Cape Education Department: teacher	
<b>C and A FRIEDLANDER INC</b>		5 556
AW Bell	Department of Higher Education and Training	
<b>C and M CONSULTING ENGINEERS</b>		3 101
CB Ngele	SA Weather Service: technician	
<b>CLUVER MARKOTTER INC</b>		4 879
F Geysler	National Department of Justice and Constitutional Development	
J Hess	Western Cape Education Department	
A Pecoraro	Western Cape Department of Health	
<b>CNP PROJECTS (PTY) LTD</b>		106
C Pillay	South African National Defence Force: chaplain	
<b>COEUR INVESTMENTS</b>		20
P Bell	Western Cape Department of Cultural Affairs and Sports: sports facilitator	
<b>CONLOG</b>		6 820
N Moodley	Department of Health: director	
<b>COURTESY MANAGEMENT (PTY) LTD</b>		605
F Khosa	Limpopo Department of Cooperative Governance and Traditional Affairs: assistant director (risk)	
<b>CSM CONSULTING SERVICES (PTY) LTD</b>		632
AVancoillie	Western Cape Department of Environmental Affairs and Development Planning: chief town and regional planner	

## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

#### 41.4.3 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

##### AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>CSV CONSTRUCTION</b>		<b>500 321</b>
M Davids	Provincial government: training post	
C Snell	Lentegeur hospital: intern	
V van der Heever	Western Cape Education Department: teacher	
<b>DS GXILISHE</b>		<b>66</b>
B Gxilishe	Department of Agriculture and Fisheries	
S Gxilishe	Western Cape Education Department	
<b>ELEMENT CONSULTING ENGINEERS</b>		<b>6 984</b>
R Rossouw	Western Cape Education Department: teacher	
<b>EMPA STRUCTURES (PTY) LTD</b>		<b>20 400</b>
G Petersen	Western Cape Education Department	
<b>EMPIRE</b>		<b>559</b>
B Botto	Worcester hospital: medical intern	
<b>EPI USE AFRICA (PTY) LTD</b>		<b>17 217</b>
J Alberts	Gauteng Education Department: deputy principal	
E Janse van Rensburg	Road Accident Fund: senior office manager to chief operating officer	
<b>ERNST AND YOUNG ADVISORY SERVICES</b>		<b>82 630</b>
M Makhakhe	Gauteng Department of Health: medical doctor	
DF Maree	Johannesburg Municipality: manager	
K Maree	National Treasury: acting accountant general	
N Morrison	Pretoria Military Sports Club: bookkeeper	
E Motsamai	Gauteng Department of Education: manager	
DP Nathoo	Gauteng Department of Health: registrar	
N Panday	Gauteng Department of Health: pharmacist	
<b>EVERY FLUSH TOILET HIRE</b>		<b>96</b>
N Stimela	South African Police Service: warrant officer	
<b>FG JACOBS TRANSPORT CC</b>		<b>5 800</b>
H Poole	Western Cape Education Department: teacher	
<b>FIKELELA LABOUR SERVICES</b>		<b>4 098</b>
D Joseph	Member of Parliament	
<b>G NKOMO INCORPORATED</b>		<b>107</b>
M Nkomo	Department of Justice: state prosecutor	
<b>GREENRO SOLUTIONS (PTY) LTD</b>		<b>15 190</b>
N Thabeng	South African Police Service: forensic analyst	

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

#### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

##### 41.4.3 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>HOWDEN PROJECTS</b>		5 405
Z Chingwara	Department of Health: deputy director	
<b>IAN DICKIE and CO (PTY) LTD</b>		1 652
D Samuals	South African Police Service: warrant officer	
<b>IKAMVA YOUTH ENTREPRENEURSHIP DEVELOPMENT</b>		235
T Mouton	Cape Winelands Municipality: health inspector	
<b>IKAPA RETICULATION CC</b>		51 880
C Davids	Western Cape Education Department: teacher	
S Davids	Western Cape Education Department: teacher	
<b>IMMEX WASTE</b>		21 191
A Dorfling	Eastern Cape Department of Education: education therapist	
<b>INDECON INSTRUMENTATION</b>		272
L Baranard	Western Cape Education Department: teacher	
<b>IX ENGINEERS</b>		1 443
RJ Mashegana	Gauteng Department of Health: nurse	
<b>JC ACTIVE ELECTRICAL</b>		11
C van Vent	Western Cape Department of Health	
<b>JG AFRIKA (PTY) LTD</b>		53 734
R Maharaj	Umgeni Water: planner	
<b>JVZ CONSTRUCTION (PTY) LTD</b>		46
R Mathee	National Department of Correctional Services: security officer	
<b>KEMP EN GENOTE</b>		3 533
M Williams	Stellenbosch Municipality: legal advisor	
<b>KEPTRA TRADING</b>		1 791
R Marias	Western Cape Education Department: teacher	
<b>LENTEC TRAINING ACADEMY</b>		190
A Thesen	Western Cape Department of Health: radiologist	



## 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

#### 41.4.3 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

##### AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>LIKHONA LETHU SERVICES</b>		2 773
Z Rafu	South African Police Service: forensic analyst	
<b>LJA CONSTRUCTION CC</b>		3 889
L Mckriel	Western Cape Education Department: teacher	
<b>LUKHOZI CONSULTING ENGINEERS</b>		59 055
G Kennedy	South African Police Service: chief administration clerk	
<b>MAGUGA ATTORNEYS INC.</b>		583
K Mgengwana	South African Police Service: senior administrator	
<b>MALHERBE TUBB FAURE INC T/A MHI ATTORNEY</b>		2 279
J Rossouw	National Department of Transport and Public Works: administrative officer	
<b>NEOTERIC TRADING SERVICES</b>		346
A Jacobs	Cape Agulhas Municipality: director of infrastructure services	
<b>NORTON ROSE FULBRIGHT SOUTH AFRICA</b>		903
G Adams	Department of Education: deputy principal	
S Clay	Parktown Girls High School: teacher	
E Maubane	South African Police Service: human resources administrator	
F Nonhlanhla	Department of Justice: telecommunications operator	
C Sunpath	Department of Health: medical doctor	
H Sunpath	Department of Health: chief technical advisor	
<b>PISTON POWER CHEMICALS (PTY) LTD</b>		11 869
N Andhee	KwaZulu-Natal Education Department: educator	
<b>PSA AFRICA (PTY) LTD</b>		5 787
T Frost	Department of Justice	
C Hector	Quality assessor	
M Hector	Medical doctor	
<b>RED ANT SECURITY RELOCATION AND EVICTION</b>		54 787
N Lesiela	Mogale City Local Municipality: design and development practitioner	
<b>ROYAL HASKONINGDHV (PTY) LTD</b>		233
L Dlaldla	Department of Health: deputy director	
T Sithole	City of Johannesburg: associate director	
<b>STEDONE DEVELOPMENTS</b>		53 921
L Dube	Department of Transport: clerk	
<b>SUCCIDO ENTERPRISES</b>		237
L Kramm	Administrator	

# NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

### 41. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (CONTINUED)

#### 41.4 SUPPLY CHAIN MANAGEMENT REGULATIONS (CONTINUED)

##### 41.4.3 BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE (CONTINUED)

AWARDS TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE CITY AND OTHER STATE ENTITIES (CONTINUED)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>TERRATECH</b>		317
AJM Pretorius	University of Johannesburg	
<b>THE OIL CENTRE</b>		5 066
LB Mdyogolo	Department of Education: educator	
<b>TJEKA TRAINING MATTERS (PTY) LTD</b>		40 077
B Nlantli	Department of Health	
<b>TOXSOLUTIONS KITS AND SERVICES CC</b>		843
G Pearson	Rand Water: senior education advisor	
<b>TRANSPORT TELEMATICS AFRICA</b>		32 873
JJE Groenewald	Provincial Government Western Cape: Transport and Public Works	
<b>TRIDENTCHEM (PTY) LTD</b>		2 619
GMT February	Western Cape Education Department: educator	
<b>UNAKO HOLDINGS (PTY) LTD</b>		28
T Vapi	Department of Correctional Services	
<b>VONDO TRADING</b>		12 782
N Nevondo	Department of Human Settlements	
<b>ZUTARI (PTY) LTD</b>		229 314
HC Ahlschlager	Special Investigating Unit: legal representative	
K Nadasen	National Department of Public Works: director	
<b>Subtotal</b>		<b>1 354 591</b>
<b>GRAND TOTAL</b>		<b>2 112 849</b>

See annexure F for the 2022 list.

# ANNEXURE A: SCHEDULE OF EXTERNAL BORROWINGS

AS AT 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	Contractual interest rate (NACS) %	Loan ID	Redeemable in financial year	Balance as at 30 June 2022	Received during the year	Net interest accrual during the year	Concessionary loan adjustment	Redeemed/written off during year	Balance as at 30 June 2023
<b>CITY OF CAPE TOWN</b>									
<b>MARKETABLE BONDS</b>									
Municipal Bond CCT01	12,570	830014004	2023	1 002 747	-	(2 747)	-	(1 000 000)	-
Municipal Bond CCT02	11,615	830016003	2024	1 206 855	-	381	-	-	1 207 236
Municipal Bond CCT03	11,160	830017007	2025	2 065 505	-	-	-	-	2 065 505
Municipal Bond CCT04 (green bond)	10,170	830019504	2028	575 132	-	(4 570)	-	(100 000)	470 562
<b>TOTAL MARKETABLE BONDS<sup>1</sup></b>				<b>4 850 239</b>	<b>-</b>	<b>(6 936)</b>	<b>-</b>	<b>(1 100 000)</b>	<b>3 743 303</b>
<b>CONCESSIONARY LOANS</b>									
AFD	5,763	830018500	2028	225 029	-	(676)	5 484	(40 000)	189 837
AFD	5,730	830018516	2028	224 817	-	(672)	5 540	(40 000)	189 685
AFD	5,755	830018530	2028	224 981	-	(675)	5 498	(40 000)	189 804
AFD	5,800	830018523	2028	219 430	-	(662)	5 280	(38 961)	185 087
KfW	8,107	830020016	2034	889 355	-	(877)	9 809	(85 867)	812 420
AFD	11,300	830020507	2038	-	2 116 000	16 377	(92 853)	-	2 039 524
<b>TOTAL CONCESSIONARY LOANS</b>				<b>1 783 612</b>	<b>2 116 000</b>	<b>12 815</b>	<b>(61 242)</b>	<b>(244 828)</b>	<b>3 606 357</b>
<b>OTHER LOANS</b>									
DBSA	9,639	830013000	2023	6 667	-	-	-	(6 667)	-
DBSA	9,639	830013000	2023	6 667	-	-	-	(6 667)	-
<b>TOTAL OTHER LOANS</b>				<b>13 334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13 334)</b>	<b>-</b>
<b>TOTAL</b>				<b>6 647 185</b>	<b>2 116 000</b>	<b>5 879</b>	<b>(61 242)</b>	<b>(1 358 162)</b>	<b>7 349 660</b>

<sup>1</sup> Guaranteed investment instruments have been established with two financial institutions, namely Rand Merchant Bank and Liberty Group Limited, for the repayment of CCT02 and CCT03 respectively by once-off lump sum payments.

# ANNEXURE B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS – ECONOMIC ENTITY

AS AT 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	COST					Closing balance
	Opening balance	Transfers/ adjustments	Additions <sup>1</sup>	Impairments	Disposals	
<b>Land and buildings</b>						
Assets under construction	17 529	(172)	1 445	(16 091)	-	2 711
Vacant land	1 528 371	214	35 840	-	(52)	1 564 373
Land and buildings	4 945 269	71 025	83 182	-	(35 327)	5 064 149
	<b>6 491 169</b>	<b>71 067</b>	<b>120 467</b>	<b>(16 091)</b>	<b>(35 379)</b>	<b>6 631 233</b>
<b>Infrastructure</b>						
Assets under construction	3 526 167	(1 237 625)	2 766 302	-	-	5 054 844
Telecommunications	1 519 669	4 908	139 692	-	(981)	1 663 288
Drains	1 751 518	168 225	94 778	-	-	2 014 521
Roads	16 451 143	451 404	504 761	-	(151)	17 407 157
Beach improvements	192 333	305	13 976	-	-	206 614
Sewerage mains and purification	7 910 506	323 648	296 944	-	-	8 531 098
Security	1 985 376	4 934	281 980	-	(997)	2 271 293
Electricity peak-load equipment and mains	12 621 425	71 361	567 154	-	(5)	13 259 935
Water mains and purification	7 065 952	215 885	335 359	-	-	7 617 196
Reservoirs – water	1 742 693	130 866	50 532	-	-	1 924 091
	<b>54 766 782</b>	<b>133 911</b>	<b>5 051 478</b>	<b>-</b>	<b>(2 134)</b>	<b>59 950 037</b>
<b>Community assets</b>						
Assets under construction	77 815	(26 436)	23 287	-	-	74 666
Parks and gardens	360 601	1 978	5 909	-	-	368 488
Libraries	357 218	(262)	42	-	-	356 998
Recreational facilities	1 534 250	17 540	37 820	-	-	1 589 610
Civic buildings	3 190 848	5 792	51 504	-	-	3 248 144
	<b>5 520 732</b>	<b>(1 388)</b>	<b>118 562</b>	<b>-</b>	<b>-</b>	<b>5 637 906</b>
<b>Other assets</b>						
Assets under construction	457 065	(352 669)	178 969	-	-	283 365
Buildings and land	1 249	-	-	-	-	1 249
Landfill sites	1 603 961	70 676	45 266	-	-	1 719 903
Furniture, fittings and equipment	1 557 797	1 302	157 445	-	(45 494)	1 671 050
Bins and containers	77 702	-	389	-	(4)	78 087
Emergency equipment	87 574	(2 417)	689	-	(3 974)	81 872
Motor vehicles and watercraft	2 655 046	-	370 701	-	(49 059)	2 976 688
Plant and equipment	1 456 378	5 562	82 732	-	(12 855)	1 531 817
Specialised vehicles	2 718 885	221	382 800	-	(34 733)	3 067 173
Computer equipment	2 620 628	1 764	230 876	-	(51 767)	2 801 501
	<b>13 236 285</b>	<b>(275 561)</b>	<b>1 449 867</b>	<b>-</b>	<b>(197 886)</b>	<b>14 212 705</b>

ACCUMULATED DEPRECIATION							Carrying value
Opening balance	Transfers/ adjustments	Depreciation/ amortisation	Impairments	Disposals	Closing balance		
(16 091)	-	-	16 091	-	-	2 711	
(306 239)	-	-	(14 061)	-	(320 300)	1 244 073	
(1 956 233)	33	(97 196)	29 171	5 498	(2 018 727)	3 045 422	
<b>(2 278 563)</b>	<b>33</b>	<b>(97 196)</b>	<b>31 201</b>	<b>5 498</b>	<b>(2 339 027)</b>	<b>4 292 206</b>	
-	-	-	-	-	-	5 054 844	
(543 630)	(5)	(104 739)	-	699	(647 675)	1 015 613	
(670 135)	-	(65 729)	-	-	(735 864)	1 278 657	
(5 647 188)	(2 366)	(558 067)	-	131	(6 207 490)	11 199 667	
(51 750)	-	(6 008)	-	-	(57 758)	148 856	
(2 821 808)	-	(221 100)	-	-	(3 042 908)	5 488 190	
(1 013 022)	2 355	(170 376)	-	514	(1 180 529)	1 090 764	
(4 027 698)	-	(290 199)	-	2	(4 317 895)	8 942 040	
(2 577 367)	-	(187 707)	-	-	(2 765 074)	4 852 122	
(516 530)	-	(28 489)	-	-	(545 019)	1 379 072	
<b>(17 869 128)</b>	<b>(16)</b>	<b>(1 632 414)</b>	<b>-</b>	<b>1 346</b>	<b>(19 500 212)</b>	<b>40 449 825</b>	
-	-	-	-	-	-	74 666	
(101 726)	16	(12 051)	-	-	(113 761)	254 727	
(109 397)	11	(6 413)	-	-	(115 799)	241 199	
(728 234)	(1 895)	(48 458)	(310)	-	(778 897)	810 713	
(935 093)	-	(54 723)	(55)	-	(989 871)	2 258 273	
<b>(1 874 450)</b>	<b>(1 868)</b>	<b>(121 645)</b>	<b>(365)</b>	<b>-</b>	<b>(1 998 328)</b>	<b>3 639 578</b>	
-	-	-	-	-	-	283 365	
(1 249)	-	-	-	-	(1 249)	-	
(785 072)	-	(40 690)	-	-	(825 762)	894 141	
(1 111 935)	(10)	(114 146)	-	43 007	(1 183 084)	487 966	
(56 447)	-	(6 362)	-	3	(62 806)	15 281	
(62 662)	1 895	(9 147)	-	3 270	(66 644)	15 228	
(1 151 807)	-	(259 409)	(599)	40 648	(1 371 167)	1 605 521	
(992 327)	(177)	(110 435)	-	11 670	(1 091 269)	440 548	
(1 187 665)	(30)	(166 218)	(212)	29 675	(1 324 450)	1 742 723	
(2 020 698)	14	(248 152)	-	49 924	(2 218 912)	582 589	
<b>(7 369 862)</b>	<b>1 692</b>	<b>(954 559)</b>	<b>(811)</b>	<b>178 197</b>	<b>(8 145 343)</b>	<b>6 067 362</b>	

# ANNEXURE B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS – ECONOMIC ENTITY (CONTINUED)

AS AT 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	COST					Closing balance
	Opening balance	Transfers/ adjustments	Additions <sup>1</sup>	Impairments	Disposals	
<b>Living resources</b>						
Animals	1 167	-	2	-	(81)	1 088
	<b>1 167</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>(81)</b>	<b>1 088</b>
<b>Service concession assets</b>						
Assets under construction	-	-	228	-	-	228
Cape Town Stadium	4 865 720	(157)	273	-	(24)	4 865 812
Buses and depots	1 459 882	-	11 044	-	-	1 470 926
	<b>6 325 602</b>	<b>(157)</b>	<b>11 545</b>	<b>-</b>	<b>(24)</b>	<b>6 336 966</b>
<b>Housing rental stock</b>	<b>3 364 951</b>	<b>5 006</b>	<b>76 690</b>	<b>-</b>	<b>(10 370)</b>	<b>3 436 277</b>
<b>TOTAL PPE</b>	<b>89 706 688</b>	<b>(67 122)</b>	<b>6 828 611</b>	<b>(16 091)</b>	<b>(245 874)</b>	<b>96 206 212</b>
<b>Heritage assets</b>						
Paintings and museum items	10 268	-	-	-	-	10 268
	<b>10 268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 268</b>
<b>Investment property</b>						
Vacant land	518 142	-	-	-	-	518 142
Land and buildings	124 501	-	-	-	-	124 501
	<b>642 643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>642 643</b>
<b>Intangible assets</b>						
Assets under construction	5 652	-	21 923	-	-	27 575
Acquisition of rights	561 441	-	-	-	-	561 441
Computer software	1 509 449	93 680	135 102	-	(2 372)	1 735 859
	<b>2 076 542</b>	<b>93 680</b>	<b>157 025</b>	<b>-</b>	<b>(2 372)</b>	<b>2 324 875</b>
<b>TOTAL OTHER</b>	<b>2 729 453</b>	<b>93 680</b>	<b>157 025</b>	<b>-</b>	<b>(2 372)</b>	<b>2 977 786</b>
<b>GRAND TOTAL PPE AND OTHER</b>	<b>92 436 141</b>	<b>26 558</b>	<b>6 985 636</b>	<b>(16 091)</b>	<b>(248 246)</b>	<b>99 183 998</b>

<sup>1</sup> See note 38 for more details.

ACCUMULATED DEPRECIATION							Carrying value
Opening balance	Transfers/ adjustments	Depreciation/ amortisation	Impairments	Disposals	Closing balance		
(784)	-	(169)	-	71	(882)	206	
<b>(784)</b>	<b>-</b>	<b>(169)</b>	<b>-</b>	<b>71</b>	<b>(882)</b>	<b>206</b>	
-	-	-	-	-	-	228	
(2 299 119)	157	(181 240)	-	24	(2 480 178)	2 385 634	
(790 715)	-	(44 544)	(3 228)	-	(838 487)	632 439	
<b>(3 089 834)</b>	<b>157</b>	<b>(225 784)</b>	<b>(3 228)</b>	<b>24</b>	<b>(3 318 665)</b>	<b>3 018 301</b>	
(1 364 750)	-	(107 611)	-	8 791	(1 463 570)	1 972 707	
<b>(33 847 371)</b>	<b>(2)</b>	<b>(3 139 378)</b>	<b>26 797</b>	<b>193 927</b>	<b>(36 766 027)</b>	<b>59 440 185</b>	
-	-	-	-	-	-	10 268	
-	-	-	-	-	-	<b>10 268</b>	
-	-	-	-	-	-	518 142	
(64 823)	-	(1 714)	-	-	(66 537)	57 964	
<b>(64 823)</b>	<b>-</b>	<b>(1 714)</b>	<b>-</b>	<b>-</b>	<b>(66 537)</b>	<b>576 106</b>	
-	-	-	-	-	-	27 575	
(545 158)	-	(11 275)	-	-	(556 433)	5 008	
(904 651)	2	(128 819)	-	2 366	(1 031 102)	704 757	
<b>(1 449 809)</b>	<b>2</b>	<b>(140 094)</b>	<b>-</b>	<b>2 366</b>	<b>(1 587 535)</b>	<b>737 340</b>	
(1 514 632)	2	(141 808)	-	2 366	(1 654 072)	1 323 714	
<b>(35 362 003)</b>	<b>-</b>	<b>(3 281 186)</b>	<b>26 797</b>	<b>196 293</b>	<b>(38 420 099)</b>	<b>60 763 899</b>	

# ANNEXURE B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS – CITY OF CAPE TOWN

AS AT 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	COST					Closing balance
	Opening balance	Transfers/ adjustments	Additions <sup>1</sup>	Impairments	Disposals	
<b>Land and buildings</b>						
Vacant land	1 528 371	214	35 840	-	(52)	1 564 373
Land and buildings	3 523 672	70 853	75 178	-	(30 619)	3 639 084
	<b>5 052 043</b>	<b>71 067</b>	<b>111 018</b>	<b>-</b>	<b>(30 671)</b>	<b>5 203 457</b>
<b>Infrastructure</b>						
Assets under construction	3 526 167	(1 237 625)	2 766 302	-	-	5 054 844
Telecommunications	1 519 669	4 908	139 692	-	(981)	1 663 288
Drains	1 751 518	168 225	94 778	-	-	2 014 521
Roads	16 451 143	451 404	504 761	-	(151)	17 407 157
Beach improvements	192 333	305	13 976	-	-	206 614
Sewerage mains and purification	7 910 506	323 648	296 944	-	-	8 531 098
Security	1 985 376	4 934	281 980	-	(997)	2 271 293
Electricity peak-load equipment and mains	12 621 425	71 361	567 154	-	(5)	13 259 935
Water mains and purification	7 065 952	215 885	335 359	-	-	7 617 196
Reservoirs – water	1 742 693	130 866	50 532	-	-	1 924 091
	<b>54 766 782</b>	<b>133 911</b>	<b>5 051 478</b>	<b>-</b>	<b>(2 134)</b>	<b>59 950 037</b>
<b>Community assets</b>						
Assets under construction	77 815	(26 436)	23 287	-	-	74 666
Parks and gardens	360 601	1 978	5 909	-	-	368 488
Libraries	357 218	(262)	42	-	-	356 998
Recreational facilities	1 534 250	17 540	37 820	-	-	1 589 610
Civic buildings	3 190 848	5 792	51 504	-	-	3 248 144
	<b>5 520 732</b>	<b>(1 388)</b>	<b>118 562</b>	<b>-</b>	<b>-</b>	<b>5 637 906</b>
<b>Other assets</b>						
Assets under construction	457 065	(352 669)	178 969	-	-	283 365
Buildings and land	1 249	-	-	-	-	1 249
Landfill sites	1 603 961	70 676	45 266	-	-	1 719 903
Furniture, fittings and equipment	1 512 385	1 302	155 450	-	(42 262)	1 626 875
Bins and containers	77 702	-	389	-	(4)	78 087
Emergency equipment	87 574	(2 417)	689	-	(3 974)	81 872
Motor vehicles and watercraft	2 569 841	-	363 485	-	(48 825)	2 884 501
Plant and equipment	1 456 378	5 562	82 732	-	(12 855)	1 531 817
Specialised vehicles	2 718 885	221	382 800	-	(34 733)	3 067 173
Computer equipment	2 548 983	1 764	225 060	-	(48 991)	2 726 816
	<b>13 034 023</b>	<b>(275 561)</b>	<b>1 434 840</b>	<b>-</b>	<b>(191 644)</b>	<b>14 001 658</b>



ACCUMULATED DEPRECIATION							
Opening balance	Transfers/ adjustments	Depreciation/ amortisation	Impairments	Disposals	Closing balance	Carrying value	
(306 239)	-	-	(14 061)	-	(320 300)	1 244 073	
(915 325)	33	(73 110)	-	917	(987 485)	2 651 599	
<b>(1 221 564)</b>	<b>33</b>	<b>(73 110)</b>	<b>(14 061)</b>	<b>917</b>	<b>(1 307 785)</b>	<b>3 895 672</b>	
-	-	-	-	-	-	5 054 844	
(543 630)	(5)	(104 739)	-	699	(647 675)	1 015 613	
(670 135)	-	(65 729)	-	-	(735 864)	1 278 657	
(5 647 188)	(2 366)	(558 067)	-	131	(6 207 490)	11 199 667	
(51 750)	-	(6 008)	-	-	(57 758)	148 856	
(2 821 808)	-	(221 100)	-	-	(3 042 908)	5 488 190	
(1 013 022)	2 355	(170 376)	-	514	(1 180 529)	1 090 764	
(4 027 698)	-	(290 199)	-	2	(4 317 895)	8 942 040	
(2 577 367)	-	(187 707)	-	-	(2 765 074)	4 852 122	
(516 530)	-	(28 489)	-	-	(545 019)	1 379 072	
<b>(17 869 128)</b>	<b>(16)</b>	<b>(1 632 414)</b>	<b>-</b>	<b>1 346</b>	<b>(19 500 212)</b>	<b>40 449 825</b>	
-	-	-	-	-	-	74 666	
(101 726)	16	(12 051)	-	-	(113 761)	254 727	
(109 397)	11	(6 413)	-	-	(115 799)	241 199	
(728 234)	(1 895)	(48 458)	(310)	-	(778 897)	810 713	
(935 093)	-	(54 723)	(55)	-	(989 871)	2 258 273	
<b>(1 874 450)</b>	<b>(1 868)</b>	<b>(121 645)</b>	<b>(365)</b>	<b>-</b>	<b>(1 998 328)</b>	<b>3 639 578</b>	
-	-	-	-	-	-	283 365	
(1 249)	-	-	-	-	(1 249)	-	
(785 072)	-	(40 690)	-	-	(825 762)	894 141	
(1 075 984)	(10)	(110 220)	-	39 937	(1 146 277)	480 598	
(56 447)	-	(6 362)	-	3	(62 806)	15 281	
(62 662)	1 895	(9 147)	-	3 270	(66 644)	15 228	
(1 098 129)	-	(254 707)	(599)	40 415	(1 313 020)	1 571 481	
(992 327)	(177)	(110 435)	-	11 670	(1 091 269)	440 548	
(1 187 665)	(30)	(166 218)	(212)	29 675	(1 324 450)	1 742 723	
(1 958 215)	14	(244 479)	-	47 160	(2 155 520)	571 296	
<b>(7 217 750)</b>	<b>1 692</b>	<b>(942 258)</b>	<b>(811)</b>	<b>172 130</b>	<b>(7 986 997)</b>	<b>6 014 661</b>	

# ANNEXURE B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS – CITY OF CAPE TOWN (CONTINUED)

AS AT 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	COST					Closing balance
	Opening balance	Transfers/adjustments	Additions <sup>1</sup>	Impairments	Disposals	
<b>Living resources</b>						
Animals	1 167	-	2	-	(81)	1 088
	<b>1 167</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>(81)</b>	<b>1 088</b>
<b>Service concession assets</b>						
Assets under construction	-	-	228	-	-	228
Cape Town Stadium	4 865 720	(157)	273	-	(24)	4 865 812
Buses and depots	1 459 882	-	11 044	-	-	1 470 926
	<b>6 325 602</b>	<b>(157)</b>	<b>11 545</b>	<b>-</b>	<b>(24)</b>	<b>6 336 966</b>
<b>Housing rental stock</b>	<b>3 364 951</b>	<b>5 006</b>	<b>76 690</b>	<b>-</b>	<b>(10 370)</b>	<b>3 436 277</b>
<b>TOTAL PPE</b>	<b>88 065 300</b>	<b>(67 122)</b>	<b>6 804 135</b>	<b>-</b>	<b>(234 924)</b>	<b>94 567 389</b>
<b>Heritage assets</b>						
Paintings and museum items	10 268	-	-	-	-	10 268
	<b>10 268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 268</b>
<b>Investment property</b>						
Vacant land	518 142	-	-	-	-	518 142
Land and buildings	124 501	-	-	-	-	124 501
	<b>642 643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>642 643</b>
<b>Intangible assets</b>						
Assets under construction	5 652	-	21 923	-	-	27 575
Acquisition of rights	561 441	-	-	-	-	561 441
Computer software	1 498 637	93 680	132 998	-	(106)	1 725 209
	<b>2 065 730</b>	<b>93 680</b>	<b>154 921</b>	<b>-</b>	<b>(106)</b>	<b>2 314 225</b>
<b>TOTAL OTHER</b>	<b>2 718 641</b>	<b>93 680</b>	<b>154 921</b>	<b>-</b>	<b>(106)</b>	<b>2 967 136</b>
<b>GRAND TOTAL PPE AND OTHER</b>	<b>90 783 941</b>	<b>26 558</b>	<b>6 959 056</b>	<b>-</b>	<b>(235 030)</b>	<b>97 534 525</b>

ACCUMULATED DEPRECIATION							
Opening balance	Transfers/ adjustments	Depreciation/ amortisation	Impairments	Disposals	Closing balance	Carrying value	
(784)	-	(169)	-	71	(882)	206	
<b>(784)</b>	-	<b>(169)</b>	-	<b>71</b>	<b>(882)</b>	<b>206</b>	
-	-	-	-	-	-	228	
(2 299 119)	157	(181 240)	-	24	(2 480 178)	2 385 634	
(790 715)	-	(44 544)	(3 228)	-	(838 487)	632 439	
<b>(3 089 834)</b>	<b>157</b>	<b>(225 784)</b>	<b>(3 228)</b>	<b>24</b>	<b>(3 318 665)</b>	<b>3 018 301</b>	
<b>(1 364 750)</b>	-	<b>(107 611)</b>	-	<b>8 791</b>	<b>(1 463 570)</b>	<b>1 972 707</b>	
<b>(32 638 260)</b>	<b>(2)</b>	<b>(3 102 991)</b>	<b>(18 465)</b>	<b>183 279</b>	<b>(35 576 439)</b>	<b>58 990 950</b>	
-	-	-	-	-	-	10 268	
-	-	-	-	-	-	<b>10 268</b>	
-	-	-	-	-	-	518 142	
(64 823)	-	(1 714)	-	-	(66 537)	57 964	
<b>(64 823)</b>	-	<b>(1 714)</b>	-	-	<b>(66 537)</b>	<b>576 106</b>	
-	-	-	-	-	-	27 575	
(545 158)	-	(11 275)	-	-	(556 433)	5 008	
(898 972)	2	(125 078)	-	100	(1 023 948)	701 261	
<b>(1 444 130)</b>	<b>2</b>	<b>(136 353)</b>	-	<b>100</b>	<b>(1 580 381)</b>	<b>733 844</b>	
<b>(1 508 953)</b>	<b>2</b>	<b>(138 067)</b>	-	<b>100</b>	<b>(1 646 918)</b>	<b>1 320 218</b>	
<b>(34 147 213)</b>	-	<b>(3 241 058)</b>	<b>(18 465)</b>	<b>183 379</b>	<b>(37 223 357)</b>	<b>60 311 168</b>	

# ANNEXURE C: DISCLOSURE OF BANK ACCOUNTS AND INVESTMENTS IN TERMS OF SECTION 125(2)(A) AND (B) OF THE MFMA

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	2023	2022	2021
<b>CITY OF CAPE TOWN</b>			
<b>BANK ACCOUNTS HELD WITH</b>			
<b>Nedbank</b>			
Main bank	486 048	275 930	189 554
Salary bank	-	-	-
Cashier's bank	-	-	-
General income bank (primary)	-	-	-
Traffic fines bank	-	-	-
IRT bank	-	-	-
<b>Amortised cost</b>	<b>486 048</b>	<b>275 930</b>	<b>189 554</b>
<b>ABSA</b>			
IRT bank	-	-	5 581
<b>Amortised cost</b>	<b>-</b>	<b>-</b>	<b>5 581</b>
<b>Amortised cost – see note 11</b>	<b>486 048</b>	<b>275 930</b>	<b>195 135</b>
<b>CONTROLLED ENTITIES</b>			
<b>BANK ACCOUNTS</b>			
<b>CTICC</b>			
ABSA Bank – current	28	2	25
ABSA Bank – CTICC east – current	-	-	-
ABSA Bank – exh serv – current	-	4	7
ABSA Bank Treasury	-	-	-
ABSA Bank – Convenco	-	-	-
Nedbank – CTICC main current	1 526	1 432	1 297
Nedbank – CTICC payroll	19	17	37
Nedbank – CTICC east	2	6	2
Nedbank – CTICC merchant services	5	16	32
Nedbank – CTICC e-commerce	-	-	1
<b>Amortised cost</b>	<b>1 580</b>	<b>1 477</b>	<b>1 401</b>
<b>CTS</b>	<b>7 412</b>	<b>5 518</b>	<b>-</b>
<b>TOTAL BANK BALANCES</b>	<b>495 040</b>	<b>282 925</b>	<b>196 536</b>

	2023	2022	2021
<b>CITY OF CAPE TOWN</b>			
<b>BANK ACCOUNTS MANAGED BY FUND MANAGERS</b>			
<b>Nedbank</b>			
City of Cape Town	675	180	702
City of Cape Town	214	66	139
City of Cape Town	6 517	15 857	1 206
City of Cape Town	3 596	2 328	1 823
City of Cape Town	4 549	9 626	4 102
City of Cape Town	860	1 227	601
City of Cape Town	204	215	277
City of Cape Town	329	1 717	617
City of Cape Town	194	136	94
City of Cape Town	3 225	9	426
<b>Fair value</b> - see note 11	<b>20 363</b>	<b>31 361</b>	<b>9 987</b>
<b>CONTROLLED ENTITIES</b>			
<b>INVESTMENT ACCOUNTS</b>			
<b>CTICC</b>			
Stanlib - bank	21 566	8 825	3 623
Investec - bank	15 663	10 520	3 493
Nedgroup - money market fund	13 804	7 094	3 174
Nedgroup - corporate money market	18 843	7 812	3 099
ABSA Bank - call account	-	174	168
ABSA Bank - CTICC money market fund	25 432	12 010	3 744
Nedbank - CTICC daily call deposit	4 557	2 544	3 280
<b>Amortised cost</b>	<b>99 865</b>	<b>48 979</b>	<b>20 581</b>

# ANNEXURE C: DISCLOSURE OF BANK ACCOUNTS AND INVESTMENTS IN TERMS OF SECTION 125(2)(A) AND (B) OF THE MFMA (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

## SHORT-TERM DEBT FACILITIES

The City had the following short-term debt facilities with its main banker:

	2023	2022
General banking facility	800 000	800 000
Guarantee facility (cash-covered)	150 000	150 000
Guarantee facility (non-cash-covered)	30 000	30 000
Letter of credit	16 000	16 000
Business travel card	2 000	2 000

The short-term debt facilities are reviewed annually and can be explained as follows:

### GENERAL BANKING FACILITY

This facility allows the City quick access to funds should an immediate drawdown into the City's bank account be required.

### GUARANTEE FACILITY (CASH-COVERED)

Through this facility, the bank guarantees a payment to a beneficiary on behalf of the client to meet the obligations between the client and the beneficiary. The facility is cash-covered, which means that the client provides cash cover, which is held in an interest-bearing investment account and is then ceded to the bank.

### GUARANTEE FACILITY (NON-CASH-COVERED)

Through this facility, the bank guarantees a payment to a beneficiary on behalf of the client to meet the obligations between the client and the beneficiary. There is no cash required in this instance.

### LETTER OF CREDIT

A letter of credit is a document issued by the bank, assuring payment to a seller of goods or services, provided that certain documents have been presented to the bank. The documents should prove that the seller has performed the duties specified by an underlying contract, and that the goods/services have been supplied as agreed. In return for these documents, the beneficiary receives payment from the bank that issued the letter.

### BUSINESS TRAVEL CARD

The travel card facility is used for all the City's travel expenses (airfares, hotel and accommodation, car hire, travel agent fees, forex, etc.) as the main, cost-effective and reliable card payment solution from the City's main banker. A credit facility is loaded onto the account/card.



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# ANNEXURE D: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

NATIONAL AND PROVINCE GRANT FUNDS									
Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Current-year receipts	Adjustments	Conditions met – transferred to revenue		Interest earned	Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>
					Operating	Capital			
<b>NATIONAL GOVERNMENT</b>									
2014 African Nations Championship	Sport, Arts and Culture	(2)	-	2	-	-	-	-	-
Accreditation: Development Support	Human Settlements	(293)	-	-	-	-	-	-	(293)
City Public Employment Programme (PEP)	National Treasury	-	(230 176)	4 157	226 019	-	-	-	-
Contributed Assets	Water and Sanitation	-	-	(242)	-	242	-	-	-
Department of Environmental Affairs and Tourism	Forestry, Fisheries and the Environment	(314)	-	-	220	-	-	-	(94)
Dido Valley – Luyolo Land Claim	Human Settlements	-	-	-	11 758	-	-	(11 758)	-
DME – INEP	Energy	(5)	-	-	-	-	-	-	(5)
Energy Efficiency Electricity Demand Side Management	Energy	-	(9 000)	6	897	8 097	-	-	-
Expanded Public Works Incentive Grant	National Treasury	-	(42 406)	-	42 406	-	-	-	-
Finance Management Grant	National Treasury	-	(1 000)	-	1 000	-	-	-	-
Informal Settlements Upgrading Partnership	Human Settlements	(5 380)	(662 961)	111 988	26 506	473 208	-	-	(56 639)
Infrastructure Skills Development	National Treasury	(1 495)	(11 446)	1 444	10 446	1 051	-	-	-
Integrated City Development Grant	National Treasury	(107)	-	107	-	-	-	-	-
Municipal Emergency Housing Grant	Human Settlements	-	(5 004)	16	4 988	-	-	-	-
Municipal Disaster/Recovery Grant	Cooperative Governance	(30)	-	-	-	-	-	-	(30)
National Skills Fund	Higher Education and Training	(5 191)	(25 636)	-	21 073	-	-	-	(9 754)
Neighbourhood Development Programme	National Treasury	-	(27 266)	875	-	26 391	-	-	-
Philippi Agri-Hub	General Budget Support Allocation	-	-	134	-	-	-	-	(134)
Programme and Project Preparation Support	National Treasury	(1 324)	(65 970)	2 130	65 164	-	-	-	-



NATIONAL AND PROVINCE GRANT FUNDS										
Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Current-year receipts	Adjustments	Conditions met – transferred to revenue			Interest earned	Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>
					Operating	Capital				
Public Transport Network Grant	Transport	(35 176)	(1 314 261)	438 572	441 734	451 450	-	-	(17 681)	
Public Transport Network Grant – BFI	Transport	-	-	(330 986)	-	330 986	-	-	-	
Restructuring Grant – Seed Funding	National Treasury	(1 400)	-	1 227	-	-	-	-	(173)	
Special Projects	Forestry, Fisheries and the Environment	-	-	47	(47)	-	-	-	-	
Terrestrial Invasive Alien Plants	Forestry, Fisheries and the Environment	-	-	20	(20)	-	-	-	-	
Tirelo Boshha Programme	Public Service and Administration	(73)	-	73	-	-	-	-	-	
Urban Settlements Development Grant	National Treasury	(47 083)	(965 544)	159 054	22 079	794 931	-	-	(36 563)	
<b>TOTAL DORA ALLOCATION</b>		<b>(97 873)</b>	<b>(3 360 670)</b>	<b>388 624</b>	<b>874 223</b>	<b>2 086 356</b>	<b>-</b>	<b>(11 892)</b>	<b>(121 232)</b>	
2010 FIFA World Cup – Green Point: Interest account		(246)	-	246	-	-	-	-	-	
Integrated City Development Grant: Interest account		(320)	-	320	-	-	-	-	-	
National Skills Fund: Interest account		(157)	-	-	-	-	(478)	-	(635)	
Natural Resource Management: Interest account		(12)	-	-	-	-	(1)	-	(13)	
Neighbourhood Development Programme: Interest account		(3 886)	-	3 886	-	-	-	-	-	
Peninsula Wetlands Rehabilitation Project: Interest account		(18)	-	-	18	-	-	-	-	
Philippi Agri-Hub: Interest account		-	-	-	-	-	-	-	-	
Public Transport Infrastructure Systems Grant: Interest account		(180 899)	-	180 899	-	-	-	-	-	
Public Transport Infrastructure Grant: Interest account		(45 337)	-	45 337	-	-	-	-	-	
Public Transport Network Grant: Interest account		(152 654)	-	152 654	-	-	-	-	-	

# ANNEXURE D: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

NATIONAL AND PROVINCE GRANT FUNDS									
Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Current-year receipts	Adjustments	Conditions met – transferred to revenue		Interest earned	Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>
					Operating	Capital			
Public Transport Network Grant - BFI: Interest account		(1 658)	-	1 658	-	-	-	-	-
Public Transport Network Operations Grant: Interest account		(18 518)	-	18 518	-	-	-	-	-
Smart Living Handbook: Interest account		(123)	-	-	-	-	(9)	-	(132)
<b>TOTAL INTEREST EARNED</b>		<b>(403 828)</b>	<b>-</b>	<b>403 518</b>	<b>18</b>	<b>-</b>	<b>(488)</b>	<b>-</b>	<b>(780)</b>
<b>TOTAL NATIONAL GOVERNMENT TRANSFERS AND GRANTS</b>		<b>(501 701)</b>	<b>(3 360 670)</b>	<b>792 142</b>	<b>874 241</b>	<b>2 086 356</b>	<b>(488)</b>	<b>(11 892)</b>	<b>(122 012)</b>
<b>PROVINCE</b>									
ABET Adult Education	Education	(4)	-	-	-	-	-	-	(4)
Auxiliary Law Enforcement Officers (ALEOs)	Community Safety	-	(2 352)	-	2 843	-	-	(491)	-
Belhar Pentech 340 Top Structures	Infrastructure (Human Settlements)	(5 695)	-	(1 919)	10 437	-	-	(2 823)	-
Contributed Assets	Health	-	-	(6 637)	-	6 637	-	-	-
Community Residential Units	Infrastructure (Human Settlements)	(234)	-	234	-	-	-	-	-
Delft – The Hague Phase 2 (896)	Infrastructure (Human Settlements)	-	-	5 238	-	-	-	(5 238)	-
Disaster Fund – Fire/Flood Kits	Infrastructure (Human Settlements)	-	-	6 732	(6 732)	-	-	-	-
Edward Road Energy Efficient Project	Infrastructure (Human Settlements)	(4 388)	-	-	-	-	(304)	-	(4 692)
EHP Nyanga, Dunoan and Atlantis	Infrastructure (Human Settlements)	(3 710)	-	2 956	-	-	-	-	(754)
Eradication of Registration Backlog	Infrastructure (Human Settlements)	(8)	-	-	-	-	-	-	(8)
Erf 160: Boys Town	Infrastructure (Human Settlements)	(392)	-	-	392	-	-	-	-
Facilitation Grants	Infrastructure (Human Settlements)	(33)	-	34	-	-	(1)	-	-
Financial Management Capability Grant	Treasury	(96)	-	-	96	-	(5)	-	(5)

NATIONAL AND PROVINCE GRANT FUNDS									
Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Current-year receipts	Adjustments	Conditions met – transferred to revenue			Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>
					Operating	Capital	Interest earned		
Fisantekraal Garden Cities (RDP 4672 Units)	Infrastructure (Human Settlements)	-	-	1 881	-	-	(1 881)	-	
Fisantekraal, Greenville, Phase 3	Infrastructure (Human Settlements)	-	-	5 353	-	-	(5 353)	-	
Garden Cities/Greenville/Fisantekraal 868	Infrastructure (Human Settlements)	(4)	-	4	-	-	-	-	
Government Grant Community Development Workers	WCG Local Government	(723)	(1 034)	-	1 744	-	-	(13)	
Greenville Housing Phase 4 Tops	Infrastructure (Human Settlements)	-	-	(701)	68 275	-	(67 574)	-	
Gugulethu Housing Infill Project	Infrastructure (Human Settlements)	(21 351)	-	(10 231)	26 002	-	-	(5 580)	
Happy Valley – Phase 2 Top Structures	Infrastructure (Human Settlements)	(65)	-	-	-	-	-	(65)	
Harare Infill Housing	Infrastructure (Human Settlements)	-	-	(21 756)	53 655	-	(31 899)	-	
Hazendal Infill – Top Structures	Infrastructure (Human Settlements)	(66)	-	-	-	-	-	(66)	
Heideveld Housing Infill	Infrastructure (Human Settlements)	(1 491)	-	-	-	-	-	(1 491)	
HIV/Aids Community-Based Response Projects	Health	-	(297 717)	12 429	273 519	-	-	(11 769)	
Housing Settlements Development Grant	Infrastructure (Human Settlements)	(79 084)	(185 710)	222 889	-	-	-	(41 905)	
IDA Projects: Urban Engineering	Infrastructure (Human Settlements)	-	-	5 738	18 998	-	(24 736)	-	
Informal Settlements	Infrastructure (Human Settlements)	(267)	(1 500)	74	1 234	-	-	(459)	
Jakkelsvlei Canal Upgrading	Infrastructure (Human Settlements)	(10 427)	-	-	-	-	-	(10 427)	
K9 Unit	Community Safety	-	(1 000)	-	998	-	-	(2)	
Khayelitsha Site C Subsidies	Infrastructure (Human Settlements)	(5 853)	-	-	-	(405)	-	(6 258)	
Kleinvlei Phase 2	Infrastructure (Human Settlements)	(396)	-	-	-	-	-	(396)	
Law Enforcement Officers	Community Safety	(463)	-	-	-	-	-	(463)	
Law Enforcement Officers	Community Safety	(970)	(500)	-	1 315	-	-	(195)	
Law Enforcement Officers – LEAP	Community Safety	(11 490)	(400 000)	11 490	370 723	4 187	-	(27 996)	

# ANNEXURE D: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

NATIONAL AND PROVINCE GRANT FUNDS									
Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Current-year receipts	Conditions met – transferred to revenue		Interest earned	Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>	
				Adjustments	Operating				Capital
Library Service: Procurement Periodicals and Newspapers	Cultural Affairs and Sport	(2 876)	(5 338)	145	8 069	(121)	-	(121)	
Library Metro Grant	Cultural Affairs and Sport	(182)	(5 492)	-	-	(136)	-	(146)	
Local Government Public Employment Support (PEP)	PAWC Local Government	(3 285)	-	-	3 285	-	-	-	
Maroela Housing (South)	Infrastructure (Human Settlements)	-	-	(12 782)	-	-	-	(12 782)	
Metropolitan Land Transport Fund	Transport and Public Works	(89)	(10 000)	(21 000)	10 015	(62)	-	(19 916)	
Morkel's Cottage Strand Housing Project	Infrastructure (Human Settlements)	(1 071)	-	-	-	-	-	(1 071)	
Morningstar Infill IRDP	Infrastructure (Human Settlements)	(55)	-	-	-	-	-	(55)	
Municipal Library Support Fund	Cultural Affairs and Sport	(23)	-	-	23	(1)	-	(1)	
NHBRC Enrolment Fees	Infrastructure (Human Settlements)	-	-	(13 546)	12 312	-	-	(1 234)	
Nutrition Supplement Programme	Health	-	(6 622)	1 161	6 437	-	(976)	-	
Occupancy Survey	Infrastructure (Human Settlements)	(278)	-	-	278	-	-	-	
Pelican Park 2083 Top Structures	Infrastructure (Human Settlements)	(31)	-	-	31	-	-	-	
People's Housing Process Project	Infrastructure (Human Settlements)	(49 760)	-	(20 915)	40 380	(2 590)	-	(32 885)	
Philippi East Phase 5	Infrastructure (Human Settlements)	(567)	-	-	-	-	-	(567)	
Pooke se Bos Housing Project	Infrastructure (Human Settlements)	-	-	(7 976)	14 169	-	(6 193)	-	
Public Library Fund	Cultural Affairs and Sport	(510)	(52 712)	-	51 897	(766)	-	(2 091)	
Sir Lowry's Pass HSDG Project	Infrastructure (Human Settlements)	-	-	(35 372)	33 537	-	-	(1 835)	
Somerset West Housing Project	Infrastructure (Human Settlements)	(953)	-	-	-	-	-	(953)	
TB Crisis Plan	Health	(9 009)	(40 784)	-	31 237	-	-	(18 556)	
Title Deeds Restoration	Infrastructure (Human Settlements)	(12 400)	(11 129)	-	23 529	-	-	-	
Vaccines	Health	(28 050)	(94 836)	-	99 058	-	-	(23 828)	

NATIONAL AND PROVINCE GRANT FUNDS									
Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Conditions met – transferred to revenue				Interest earned	Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>
			Current-year receipts	Adjustments	Operating	Capital			
Valhalla Park Integrated Housing Project	Infrastructure (Human Settlements)	-	-	(19 420)	19 420	-	-	-	
Vrygrond	Infrastructure (Human Settlements)	(18)	-	-	-	-	-	(18)	
WC Finance Management Capacity Grant (FMCG)	Treasury	-	(300)	-	300	-	(3)	(3)	
WCED SRT Programme	Education Department	-	(20 000)	-	2 752	-	(276)	(17 524)	
WCG – Municipal Accreditation and Capacity Building Grant	Infrastructure (Human Settlements)	-	(10 000)	-	10 000	-	-	-	
<b>TOTAL PROVINCE TRANSFERS AND GRANTS</b>		<b>(256 367)</b>	<b>(1 147 026)</b>	<b>104 103</b>	<b>1 190 228</b>	<b>17 708</b>	<b>(7 616)</b>	<b>(147 164)</b>	<b>(246 134)</b>
<b>Analysis of grants and subsidies</b>									
Total National Government transfers and grants		(501 701)	(3 360 670)	792 142	874 241	2 086 356	(488)	(11 892)	(122 012)
Total Province transfers and grants		(256 367)	(1 147 026)	104 103	1 190 228	17 708	(7 616)	(147 164)	(246 134)
		(758 068)	(4 507 696)	896 245	2 064 469	2 104 064	(8 104)	(159 056)	(368 146)

<sup>1</sup>The balance unspent at the beginning and end of the year excludes VAT.

# ANNEXURE E: APPROPRIATION STATEMENT (RECONCILIATION: BUDGET AND IN-YEAR PERFORMANCE) – ECONOMIC ENTITY

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	2022/23					
	Original budget	Budget adjustments (i.t.o. s 28 and s 31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s 31 of the MFMA)	Virement (i.t.o. Council-approved policy)	Final budget
<b>FINANCIAL PERFORMANCE</b>						
Property rates	11 519 486	-	11 519 486	-	-	11 519 486
Service charges	24 565 228	61 497	24 626 725	-	-	24 626 725
Investment revenue	1 119 304	147 226	1 266 530	-	-	1 266 530
Transfers recognised – operational	6 293 368	123 694	6 417 062	-	-	6 417 062
Other own revenue	10 040 308	323 214	10 363 522	-	-	10 363 522
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>53 537 694</b>	<b>655 631</b>	<b>54 193 325</b>	-	-	<b>54 193 325</b>
Employee costs	17 386 353	(13 197)	17 373 156	-	(31 985)	17 341 171
Remuneration of councillors	177 372	4 937	182 309	-	-	182 309
Debt impairment	2 316 909	156 168	2 473 077	-	-	2 473 077
Depreciation and asset impairment	3 253 427	59 282	3 312 709	-	-	3 312 709
Finance charges	862 999	(109 830)	753 169	-	(888)	752 281
Materials and bulk purchases	17 581 995	389 878	17 971 873	-	35 662	18 007 535
Transfers and grants	400 607	41 441	442 048	-	1 208	443 256
Other expenditure	12 165 617	251 503	12 417 120	-	(3 996)	12 413 124
<b>Total expenditure</b>	<b>54 145 279</b>	<b>780 182</b>	<b>54 925 461</b>	-	<b>1</b>	<b>54 925 462</b>
Surplus/(deficit)	<b>(607 585)</b>	<b>(124 551)</b>	<b>(732 136)</b>	-	<b>(1)</b>	<b>(732 137)</b>
Transfers recognised – capital	2 171 013	97 071	2 268 084	-	-	2 268 084
Contributions recognised – capital and contributed assets	-	-	-	-	-	-
<b>Surplus/(deficit) after capital transfers and contributions</b>	<b>1 563 428</b>	<b>(27 480)</b>	<b>1 535 948</b>	-	<b>(1)</b>	<b>1 535 947</b>
Share of surplus/(deficit) of associate	-	-	-	-	-	-
<b>Surplus/(deficit) for the year</b>	<b>1 563 428</b>	<b>(27 480)</b>	<b>1 535 948</b>	-	<b>(1)</b>	<b>1 535 947</b>
<b>CAPITAL EXPENDITURE AND FUNDS SOURCES</b>						
Transfers recognised – capital	2 171 013	97 072	2 268 085	-	-	2 268 085
Public contributions and donations	100 854	(5 199)	95 655	-	-	95 655
Borrowing	2 000 000	-	2 000 000	-	-	2 000 000
Internally generated funds	3 255 924	224 564	3 480 488	-	-	3 480 488
<b>Total sources of capital funds</b>	<b>7 527 791</b>	<b>316 437</b>	<b>7 844 228</b>	-	-	<b>7 844 228</b>
<b>CASH FLOWS</b>						
Net cash from (used) operating	5 089 827	499 053	5 656 496	-	-	5 656 496
Net cash from (used) investing	(6 785 519)	(364 940)	(7 150 459)	-	-	(7 150 459)
Net cash from (used) financing	589 849	83 542	673 391	-	-	673 391
<b>Cash/cash equivalents at the year-end</b>	<b>6 061 834</b>	<b>282 835</b>	<b>7 499 053</b>	-	-	<b>7 499 053</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1 105 843)</b>	<b>282 835</b>	<b>(820 572)</b>	-	-	<b>(820 572)</b>

2022/23						2021/22			
Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Reported unauthorised expenditure	Expenditure authorised i.t.o. s 32 of MFMA	Balance to be recovered	Restated audited outcome	
11 557 563	-	-	100	100	-	-	-	-	
23 724 951	-	-	96	97	-	-	-	-	
1 454 620	-	-	115	130	-	-	-	-	
6 221 933	-	-	97	99	-	-	-	-	
11 423 206	-	-	110	114	-	-	-	-	
<b>54 382 273</b>	-	-	<b>100</b>	<b>102</b>	-	-	-	-	
15 335 573	-	-	88	88	-	-	-	-	
177 040	-	-	97	100	-	-	-	-	
2 992 497	-	-	121	129	-	-	-	-	
3 299 652	-	-	100	101	-	-	-	-	
772 433	-	-	103	90	-	-	-	-	
17 498 594	-	-	97	100	-	-	-	-	
377 101	-	-	85	94	-	-	-	-	
12 299 036	-	-	99	101	-	-	-	-	
<b>52 751 926</b>	-	-	<b>96</b>	<b>97</b>	-	-	-	-	
<b>1 630 347</b>	-	-	(223)	(268)	-	-	-	-	
2 111 820	-	-	93	97	-	-	-	-	
-	-	-	-	-	-	-	-	-	
<b>3 742 167</b>	-	-	<b>244</b>	<b>239</b>	-	-	-	-	
-	-	-	-	-	-	-	-	-	
<b>3 742 167</b>	-	-	<b>244</b>	<b>239</b>	-	-	-	-	
2 090 883	-	-	92	96	-	-	-	-	
85 082	-	-	89	84	-	-	-	-	
1 758 326	-	-	88	88	-	-	-	-	
3 021 196	-	-	87	93	-	-	-	-	
<b>6 955 487</b>	-	-	<b>89</b>	<b>92</b>	-	-	-	-	
6 235 415	-	-	110	123	-	-	-	-	
(7 076 651)	-	-	99	104	-	-	-	-	
709 693	-	-	105	120	-	-	-	-	
<b>8 219 853</b>	-	-	<b>110</b>	<b>136</b>	-	-	-	-	
<b>(131 543)</b>	-	-	<b>16</b>	<b>12</b>	-	-	-	-	

# ANNEXURE E: APPROPRIATION STATEMENT (RECONCILIATION: BUDGET AND IN-YEAR PERFORMANCE) – CITY OF CAPE TOWN

FOR THE YEAR ENDED 30 JUNE 2023

All amounts indicated in Rand thousands (R'000)

	2022/23					
	Original budget	Budget adjustments (i.t.o. s 28 and s 31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s 31 of the MFMA)	Virement (i.t.o. Council-approved policy)	Final budget
<b>FINANCIAL PERFORMANCE</b>						
Property rates	11 519 486	-	11 519 486	-	-	11 519 486
Service charges	24 565 228	61 497	24 626 725	-	-	24 626 725
Investment revenue	1 118 566	144 694	1 263 260	-	-	1 263 260
Transfers recognised – operational	6 260 172	123 694	6 383 866	-	-	6 383 866
Other own revenue	9 822 523	268 508	10 091 031	-	-	10 091 031
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>53 285 975</b>	<b>598 393</b>	<b>53 884 368</b>	-	-	<b>53 884 368</b>
Employee costs	17 322 936	(24 464)	17 298 472	-	(31 985)	17 266 487
Remuneration of councillors	176 133	4 987	181 120	-	-	181 120
Debt impairment	2 316 909	156 168	2 473 077	-	-	2 473 077
Depreciation and asset impairment	3 208 222	61 880	3 270 102	-	-	3 270 102
Finance charges	862 999	(109 830)	753 169	-	(888)	752 281
Materials and bulk purchases	17 565 690	373 762	17 939 452	-	35 662	17 975 114
Transfers and grants	391 480	41 441	432 921	-	1 208	434 129
Other expenditure	11 952 682	261 295	12 213 977	-	(3 996)	12 209 981
<b>Total expenditure</b>	<b>53 797 051</b>	<b>765 239</b>	<b>54 562 290</b>	-	<b>1</b>	<b>54 562 291</b>
Surplus	(511 076)	(166 846)	(677 922)	-	(1)	(677 923)
Transfers recognised – capital	2 171 013	97 071	2 268 084	-	-	2 268 084
Contributions recognised – capital and contributed assets	-	-	-	-	-	-
<b>Surplus/(deficit) after capital transfers and contributions</b>	<b>1 659 937</b>	<b>(69 775)</b>	<b>1 590 162</b>	-	<b>(1)</b>	<b>1 590 161</b>
Share of surplus/(deficit) of associate	-	-	-	-	-	-
<b>Surplus for the year</b>	<b>1 659 937</b>	<b>(69 775)</b>	<b>1 590 162</b>	-	<b>(1)</b>	<b>1 590 161</b>
<b>CAPITAL EXPENDITURE AND FUNDS SOURCES</b>						
Transfers recognised – capital	2 171 013	97 072	2 268 085	-	-	2 268 085
Public contributions and donations	100 854	(5 199)	95 655	-	-	95 655
Borrowing	2 000 000	-	2 000 000	-	-	2 000 000
Internally generated funds	3 235 452	212 384	3 447 836	-	-	3 447 836
<b>Total sources of capital funds</b>	<b>7 507 319</b>	<b>304 257</b>	<b>7 811 576</b>	-	-	<b>7 811 576</b>
<b>CASH FLOWS</b>						
Net cash from (used) operating	5 106 527	499 053	5 605 580	-	-	5 605 580
Net cash from (used) investing	(6 818 047)	(299 760)	(7 117 807)	-	-	(7 117 807)
Net cash from (used) financing	589 849	83 542	673 391	-	-	673 391
<b>Cash/cash equivalents at the year-end</b>	<b>6 021 524</b>	<b>282 835</b>	<b>7 456 307</b>	-	-	<b>7 456 307</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1 121 671)</b>	<b>282 835</b>	<b>(838 836)</b>	-	-	<b>(838 836)</b>



2022/23						2021/22			
Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Reported unauthorised expenditure	Expenditure authorised i.t.o. s 32 of MFMA	Balance to be recovered	Restated audited outcome	
11 561 610	-	-	100	100	-	-	-	-	
23 723 873	-	-	96	97	-	-	-	-	
1 447 418	-	-	115	129	-	-	-	-	
6 221 933	-	-	97	99	-	-	-	-	
11 164 334	-	-	111	114	-	-	-	-	
<b>54 119 168</b>	-	-	<b>100</b>	<b>102</b>	-	-	-	-	
15 261 344	-	-	88	88	-	-	-	-	
176 064	-	-	97	100	-	-	-	-	
3 021 569	-	-	122	130	-	-	-	-	
3 259 524	-	-	100	102	-	-	-	-	
772 433	-	-	103	90	-	-	-	-	
17 498 594	-	-	97	100	-	-	-	-	
377 101	-	-	87	96	-	-	-	-	
12 160 919	-	-	100	102	-	-	-	-	
<b>52 527 548</b>	-	-	<b>96</b>	<b>98</b>	-	-	-	-	
<b>1 591 620</b>	-	-	-	(311)	-	-	-	-	
2 111 820	-	-	93	97	-	-	-	-	
-	-	-	-	-	-	-	-	-	
<b>3 703 440</b>	-	-	<b>233</b>	<b>223</b>	-	-	-	-	
-	-	-	-	-	-	-	-	-	
<b>3 703 440</b>	-	-	<b>233</b>	<b>223</b>	-	-	-	-	
2 090 883	-	-	92	96	-	-	-	-	
85 082	-	-	89	84	-	-	-	-	
1 758 326	-	-	88	88	-	-	-	-	
2 994 616	-	-	87	93	-	-	-	-	
<b>6 928 907</b>	-	-	<b>89</b>	<b>92</b>	-	-	-	-	
6 156 210	-	-	110	121	-	-	-	-	
(7 050 265)	-	-	99	103	-	-	-	-	
709 693	-	-	105	120	-	-	-	-	
<b>8 110 781</b>	-	-	<b>109</b>	<b>135</b>	-	-	-	-	
<b>(184 362)</b>	-	-	<b>22</b>	<b>16</b>	-	-	-	-	

# ANNEXURE F: BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE – 2022

All amounts indicated in Rand thousands (R'000)

ECONOMIC ENTITY		
Connected person	Position held in State	2023
<b>CITY</b>	Consult City of Cape Town schedule below for details.	<b>1 306 425</b>
<b>CTICC</b>		
M Brink	Medical doctor	473
MA Matookane; JK Netshitenzhe	Ekurhuleni Metropolitan: project manager; Department of Energy: director	159
P Naidoo	City of Cape Town: project manager	1 413
Y Phosa	City of Tshwane: deputy director	612
		<b>2 657</b>
<b>TOTAL</b>		<b>1 309 082</b>

CITY OF CAPE TOWN		
Connected person	Position held in State	2023
<b>AAE CATERING</b>		908
Y Ebrahim	Regional operations manager	
<b>AFRIVEST BUSINESS SOLUTIONS</b>		1 713
R Davids	City councillor	
<b>AFRIWORLD BUSINESS SOLUTIONS (PTY) LTD</b>		939
R Davids	City councillor	
<b>AGL BUILDING REPAIRS AND MAINTENANCE SUPPORT</b>		255
G Elloker	Administrative officer	
<b>ANLO PRINT AND MAIL CC</b>		139
N Taylor	Administrative officer	
<b>ASEP ELECTRICAL</b>		6 790
Z September	Teacher	
<b>ATHLONE AUTO TRANSMISSIONS</b>		460
N Joseph	Province: chief director	
<b>BARENDS F</b>		112
T Barends	City: SAP developer	
<b>BATTERY CENTRE MITCHELLS PLAIN</b>		15
F Badenhorst	Stellenbosch Municipality: councillor	
<b>BERGSTAN SOUTH AFRICA CONSULTING AND DEVELOPMENT</b>		309
J Beukes	Department of Social Services	

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>BOB C IMPORT/EXPORT AGENCIES CC</b>		499
C Padiachy	Clerk	
<b>BOKAMOSO ENTERPRISE SOLUTIONS</b>		279
M Thobejane	Department of Land Affairs and Rural Development	
<b>BOWIE LIFTS ELEVATORS AND ESCALATOR</b>		2 097
M Bowie	Department of Transport: administrative officer	
<b>BOWMAN GILFILLAN INC. (LEGAL AND LAND)</b>		2 617
H Ben-David	South African Airways: captain	
L Bozalek	Western Cape high court: judge	
HIJ Carim	Department of Basic Education: deputy principal	
M de Villiers	Project and process manager	
C Dyer	National Department of Education: deputy director	
N Lumeza	Educator	
B Malope-Kgokong	National Health Laboratory Service: national manager	
G Mellem	Teacher	
T Mtshali	KwaZulu-Natal Department of Education: deputy principal	
LWS Ngubane	Educator	
M Nyali	Teacher	
J Odendal	ARMSCOR SOC LTD: senior management (technical)	
C Rodrigues	South African Police Service: forensic analyst	
T Sass	Head: Compliance and Probity	
B Sepuba	Department of Finance: specialist recruiter (HR)	
E Steyn	Western Cape high court: judge	
E Tipru	Senior application analyst	
M van Aardt	Baragwanath hospital complex: doctor	
J van de Heuvel	Department of Justice: magistrate	
A Visser	Maintenance manager (Wastewater)	
S Zondo	City of Johannesburg: operations manager	
<b>BRAINPLAY</b>		702
GJ Pieterse	Teacher	
<b>BSP CONSULTING ENGINEERS (PTY) LTD</b>		1 341
A Plaatjies	Teacher	
<b>C and A FRIEDLANDER INC.</b>		6 171
AW Bell	Higher Education and Training	
<b>CHARMLU BUILDERS</b>		679
C Absolom	Administrative clerk	

## ANNEXURE F: BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE – 2022 (CONTINUED)

All amounts indicated in Rand thousands (R'000)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>CLUVER MARKOTTER INC.</b>		561
F Geyser	Department of Justice and Constitutional Development	
J Hess	Western Cape Education	
A Pecoraro	Western Cape Health	
<b>CNP PROJECTS (PTY) LTD</b>		118
C Pillay	South African National Defence Force: chaplain	
<b>COEUR INVESTMENTS</b>		2 513
P Bell	Sports facilitator	
<b>COMPUTER SPECIALISTS (PTY) LTD</b>		32
N Orrie	Senior superintendent: Wastewater	
<b>CONLOG</b>		8 565
N Moodley	Department of Health: director	
<b>COURTESY MANAGEMENT (PTY) LTD</b>		2 170
F Khosa	Limpopo Department of Cooperative Governance and Traditional Affairs: assistant director (risk)	
<b>CPR TRUCK REPAIRS</b>		1 129
B Manuel	Administrative officer	
<b>CSM CONSULTING SERVICES (PTY) LTD</b>		458
A Vancoillie	Department of Planning: chief town planner	
<b>CSV CONSTRUCTION</b>		38 627
M Davids	Provincial government: training post	
<b>DEMOCRATIC PACKAGING CC</b>		50
V van der Heever	Teacher	
<b>DEO FAVENTE (PTY) LTD</b>		228
C Snell	Intern: Lentegeur hospital	
<b>DESIGNTEC PRINTING CC</b>		79
M Mshweshwe	Manager of Access to Information	
<b>DS GXILISHE</b>		46
B Gxilishe	Department of Agriculture and Fisheries	
S Gxilishe	Western Cape Education Department	
<b>EAS INFRASTRUCTURE ENGINEERS</b>		6 459
J Brown	Coordinator of Human Settlements	
<b>ELEMENT CONSULTING ENGINEERS</b>		19 530
R Rossouw	Teacher	

**CITY OF CAPE TOWN (CONTINUED)**

<b>Connected person</b>	<b>Position held in State</b>	<b>2023</b>
<b>EMPA STRUCTURES (PTY) LTD</b>		1 789
G Petersen	Western Cape Education	
<b>EMPIRE</b>		457
B Botto	Worcester hospital: medical intern	
<b>EPI USE AFRICA (PTY) LTD</b>		18 443
J Alberts	Education Department: deputy principal	
E Janse van Rensburg	Road Accident Fund: senior office manager	
<b>ERNST AND YOUNG ADVISORY SERVICES</b>		5 584
M Makhakhe	Gauteng Department of Health: medical doctor	
DF Maree	Johannesburg Municipality: manager	
K Maree	National Treasury: acting accountant-general	
N Morrison	Pretoria Military Sports Club: bookkeeper	
E Motsamai	Gauteng Department of Education: manager	
DP Nathoo	Gauteng Department of Health: registrar	
N Panday	Gauteng Department of Health: pharmacist	
<b>EVERY FLUSH TOILET HIRE</b>		16
N Stimela	South African Police Service: Warrant officer	
<b>FAYDIES CORPORATE GIFTS</b>		3 836
MF Votersen	Manager: Finance	
<b>FG JACOBS TRANSPORT CC</b>		11 335
H Poole	Teacher	
<b>FIKELELA LABOUR SERVICES</b>		3 757
D Joseph	Member of Parliament	
<b>G NKOMO INCORPORATED</b>		558
M Nkomo	Department of Justice: state prosecutor	
<b>GIBB</b>		172 804
D Allderman	Teacher	
I Brink	Teacher	
C Clark	Eskom: instrument technician	
L Cloete	Department of Higher Education: lecturer	
J Gooch	Department of Transport and Public Works: head	
C Hering	Electrical engineer	
S Jafta	Department of Transport: assistant manager	
N Mkhize	Department of Forestry, Fisheries and the Environment: accounting clerk	
A Moon	Head: Business Continuity	
D O'Reilly	South African Police Service: warrant officer	
A Petersen	Department of Education: subject specialist	
S Singh	Department of Education: human resource officer	

## ANNEXURE F: BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE – 2022 (CONTINUED)

All amounts indicated in Rand thousands (R'000)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>GREENRO SOLUTIONS (PTY) LTD</b>		20 911
N Thabeng	South African Police Service: forensic analyst	
<b>HAYES INCORPORATED</b>		543
F Akherwaray	Support assistant	
<b>HEROLD GIE ATTORNEYS</b>		2 321
K Meyer	Senior clerk	
<b>HOWDEN PROJECTS</b>		89
Z Chingwara	Department of Health: deputy director	
<b>IKAMVA YOUTH ENTREPRENEURSHIP DEVELOPMENT</b>		131
T Mouton	Cape Winelands Municipality: health inspector	
<b>IKAPA RETICULATION CC</b>		43 648
C Davids	Teacher	
S Davids	Teacher	
<b>IMMEX WASTE</b>		8 622
A Dorfling	Department of Education: therapist	
<b>INDECON INSTRUMENTATION</b>		6 133
L Baranard	Teacher	
<b>ISIDIMA CIVILS (PTY) LTD</b>		34 216
S Manuel	Administrative officer	
<b>ISUZU TRUCK CENTRE</b>		182 792
E Jacobs	Senior clerk	
<b>ITHALOMSO (PTY) LTD</b>		87 920
S Fumba	GIS administrator	
<b>JG AFRIKA (PTY) LTD</b>		30 281
R Maharaj	Umgeni Water: planner	
<b>JVZ CONSTRUCTION (PTY) LTD</b>		2 058
R Matthee	Correctional Services: security officer	
<b>KEMANZI (PTY) LTD</b>		5 880
J du Toit	Traffic inspector	
<b>KEMP EN GENOTE</b>		3 348
M Williams	Stellenbosch Municipality: legal advisor	
<b>KEPTRA TRADING</b>		2 062
R Marias	Teacher	
<b>LIKHONA LETHU SERVICES</b>		10 951
Z Rafu	South African Police Service	

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>LILIAN4ZONKE</b>		1 915
F Monk	Subcouncil manager	
N Monk	EPWP clerk	
<b>LINDOL HYGIENE SERVICES (PTY) LTD</b>		895
N Jantjies	Teacher	
<b>LJA CONSTRUCTION CC</b>		1 915
L Mckriel	Teacher	
<b>MAGUGA ATTORNEYS INC.</b>		1 986
K Mgengwana	South African Police Service: senior administrator	
<b>MALHERBE TUBB FAURE INC. T/A MHI ATTORNEY</b>		1 409
J Rossouw	Department of Transport: administrative officer	
<b>MARKET TOYOTA CULEMBORG</b>		143
E Jacobs	Senior clerk	
<b>MASSIVE QUANTUM (PTY) LTD</b>		83
F Hendricks	Administrative officer	
<b>MPULUZANA TRADING</b>		2 259
N Ngwema	Department of Health: deputy director	
<b>NCC ENVIRONMENTAL SERVICES (PTY) LTD</b>		12 700
C Rhoda	Invasive Species Programme: manager	
<b>NEOTERIC TRADING SERVICES</b>		287
A Jacobs	Cape Agulhas Municipality: director	
<b>NORTON ROSE FULBRIGHT SOUTH AFRICA</b>		1 346
G Adams	Deputy principal	
S Clay	Teacher	
E Maubane	South African Police Service: HR administrator	
F Nonhlanhla	Department of Justice: telecommunications operator	
C Sunpath	Department of Health: medical doctor	
H Sunpath	Department of Health: chief technical advisor	
<b>PEGASYS</b>		24 695
P Grey	Professional officer	
D Quin	National Prosecuting Authority: senior crime analyst	
E Warambwa	Municipal Infrastructure Support Agent: professional engineer	
B Weston	Water and Sanitation: scientific manager	
<b>PISTON POWER CHEMICALS (PTY) LTD</b>		8 995
N Andhee	KwaZulu-Natal Education Department: educator	
<b>PSA AFRICA (PTY) LTD</b>		1 623
T Frost	Department of Justice	
<b>PURPLE ROSE DISTRIBUTORS CC</b>		4
C Hector	Quality assessor	
M Hector	Medical doctor	

## ANNEXURE F: BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE – 2022 (CONTINUED)

All amounts indicated in Rand thousands (R'000)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
<b>RED ANT SECURITY RELOCATION AND EVICTION</b>		62 407
N Lesiela	Mogale: design and development practitioner	
<b>REEDS BELLVILLE</b>		837
E Jacobs	Senior clerk	
<b>REEDS CLAREMONT</b>		777
E Jacobs	Senior clerk	
<b>REEDS N1 CITY</b>		328
E Jacobs	Senior clerk	
<b>REMARKABLE CHARLES ENTERPRISE (PTY) LTD</b>		7
V Charles	Administrative officer	
<b>RNR AMBITION</b>		47
C de Vos	Kogel Bay resort: worker	
<b>ROYAL HASKONINGDHV (PTY) LTD</b>		907
L Dladla	Department of Health: deputy director	
T Sithole	City of Johannesburg: associate director	
<b>SAN BUILDING MAINTENANCE CC</b>		3 105
B Ascott	Financial coordinator	
<b>SANCCOB</b>		435
P Cilliers	SAP ERP analyst	
L Roberts	Department of Agriculture: state veterinarian	
<b>SM NEVESTT/A MICHLOENG ENGINEERING SERVICE</b>		199
G Neves	Teacher	
<b>SMART CIVIL CONSTRUCTION</b>		11 753
N Molefe	Head: Debt Management Services	
<b>SPILL TECH</b>		66
S Goosen	Transnet	
<b>SR CIVIL CONTRACTORS (PTY) LTD</b>		5 950
E de Wet	Senior fleet officer	
<b>STEDONE DEVELOPMENTS</b>		27 823
L Dube	Department of Transport: clerk	
<b>STELMED</b>		2 769
C Combrink	Educator	
<b>SUCCIDO ENTERPRISES</b>		745
L Kramm	Administrator	



## CITY OF CAPE TOWN (CONTINUED)

Connected person	Position held in State	2023
<b>TEMPUS DYNAMICS</b>		1 094
M Mvalo	Professional officer	
<b>TERRATECH</b>		98
AJM Pretorius	University of Johannesburg	
<b>THE OIL CENTRE</b>		4 223
LB Mdyogolo	Educator	
<b>TJEKA TRAINING MATTERS (PTY) LTD</b>		5 358
B Nlantli	Clerk	
<b>TOXSOLUTIONS KITS AND SERVICES CC</b>		624
G Pearson	Rand Water: senior education advisor	
<b>TRAFFIC MANAGEMENT TECHNOLOGIES</b>		98 599
G Aspelng	Principal mechanical engineer	
<b>TRANSPORT TELEMATICS AFRICA</b>		28 046
JJE Groenewald	Provincial Government: Transport and Public Works	
<b>UNAKO HOLDINGS (PTY) LTD</b>		9
T Vapi	Correctional Services	
<b>VINZEIGH LEUKES TRADING</b>		32
J Fortuin	Department of Rural Development: chief director	
<b>VONDO TRADING</b>		9 395
N Nevondo	Department of Human Settlements	
<b>VR MEDICAL</b>		66
R Broadhurst	Teacher	
<b>WEBBER WENTZEL</b>		15 928
J Abraham	School secretary	
J Botha	Teacher	
P Coetsee	Tshwane Metro Police Department: commander colonel	
N Dias	Senior legal advisor	
B Mahlangu	School principal	
P Masedi	City of Johannesburg: performance manager	
K Nonyane	Petro SA: senior planning technician	
H Prinsloo	Development Bank of Southern Africa: principal risk analyst	
S Qolohle	National Treasury: director	
A Smit	South African Airways: senior cabin crew member	
JCL Smit	Beaufort West Municipality: director	
A Truter	West Coast Education: chief education specialist	
C Truter	School principal	
P van den Brink	Wesgro: project manager	
B Watson	Public Investment Corporation: director	

## ANNEXURE F: BIDS AWARDED TO FAMILY OF EMPLOYEES IN THE SERVICE OF THE STATE – 2022 (CONTINUED)

All amounts indicated in Rand thousands (R'000)

CITY OF CAPE TOWN (CONTINUED)		
Connected person	Position held in State	2023
E Watson	Board of directors: member	
<b>WILSTAN BOOK SUPPLIES CC</b>		1 245
V Beukes	Senior professional officer	
<b>YIZA APHA TRADING</b>		195
A Kelland	Senior clerk	
<b>ZELUNGA INVESTMENTS</b>		46
N Biyase	Department of Water and Sanitation: assistant technical officer	
T Biyase	KwaZulu-Natal Department of Education: cleaner	
<b>ZUTARI (PTY) LTD</b>		195 982
HC Ahlschlager	Special Investigating Unit: legal representative	
K Nadasen	National Department of Public Works: director	
<b>TOTAL</b>		<b>1 306 425</b>

## ANNEXURE G: ABBREVIATIONS USED IN THESE FINANCIAL STATEMENTS

<b>AARTO</b>	Administrative Adjudication of Road Traffic Offences	<b>IPM</b>	Individual Performance Management
<b>AFD</b>	Agence Française de Développement	<b>IRT</b>	integrated rapid transit
<b>AGSA</b>	Auditor-General of South Africa	<b>ISUPG</b>	Informal Settlements Upgrading Partnership Grant
<b>APAC</b>	Audit and Performance Audit Committee	<b>JSE</b>	Johannesburg Stock Exchange
<b>ASB</b>	Accounting Standards Board	<b>KCT</b>	Khayelitsha Community Trust
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment Act	<b>KZN</b>	KwaZulu-Natal
<b>CCT</b>	City of Cape Town	<b>Mayco</b>	Mayoral Committee
<b>CID(s)</b>	city improvement district(s)	<b>MFMA</b>	Local Government: Municipal Finance Management Act
<b>CMTF</b>	Cape Metropolitan Transport Fund	<b>MPRA</b>	Local Government: Municipal Property Rates Act
<b>COID</b>	compensation for occupational injuries and diseases	<b>mSCOA</b>	Municipal Standard Chart of Accounts
<b>CPI</b>	consumer price index	<b>NACS</b>	nominal annual compounded semi-annually
<b>CRR</b>	capital replacement reserve	<b>NDHS</b>	National Department of Human Settlements
<b>CTICC</b>	Cape Town International Convention Centre Company SOC Limited (RF)	<b>NDPW</b>	National Department of Public Works
<b>CTS</b>	Cape Town Stadium	<b>NHRB</b>	National Health Research Board
<b>DCs</b>	Development Contributions	<b>PAYE</b>	pay-as-you-earn
<b>DB</b>	defined-benefit (scheme)	<b>PCDR</b>	Public Contributions Donations Reserve
<b>DBSA</b>	Development Bank of Southern Africa	<b>PG</b>	Provincial Government
<b>DC</b>	defined-contribution (scheme)	<b>PPE</b>	property, plant and equipment
<b>DCAS</b>	Department of Cultural Affairs and Sport	<b>Province</b>	Western Cape Provincial Government
<b>DMTN</b>	domestic medium-term note	<b>PTNG</b>	Public Transport Network Grant
<b>DoRA</b>	Division of Revenue Act	<b>SALA</b>	South African Local Authorities (Pension Fund)
<b>DTIC</b>	Department of Trade, Industry and Competition	<b>SALGA</b>	South African Local Government Association
<b>EPWP</b>	Expanded Public Works Programme	<b>SAP</b>	Systems, Applications and Products
<b>ERP</b>	Enterprise Resource Planning	<b>SCM</b>	Supply Chain Management (Department)
<b>FCSA</b>	Financial Sector Conduct Authority	<b>SEZ</b>	Special Economic Zone
<b>GRAP</b>	Generally Recognised Accounting Practices	<b>SIU</b>	Special investigating unit
<b>ICASA</b>	Independent Communications Authority of South Africa	<b>SOA</b>	Scheme of Arrangement
<b>IDP</b>	Integrated Development Plan	<b>UIF</b>	Unemployment Insurance Fund
<b>IGRAP</b>	Interpretation of the Standards of Generally Recognised Accounting Practice	<b>USDG</b>	Urban Settlements Development Grant
		<b>VAT</b>	value-added tax

# 8.2 APPENDICES B–D: ANNUAL PERFORMANCE REPORTS



# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET					
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			
		TARGET	ACTUAL	STATUS	
<b>PRIORITY: ECONOMIC GROWTH</b>					
<b>1. INCREASED JOBS AND INVESTMENT IN THE CAPE TOWN ECONOMY</b>	1.A Building plans (<500m <sup>2</sup> ) approved within 30 days (%)	96%	96%		
	<b>Reason for variance:</b> On target  <b>Remedial action:</b> Maintain the momentum				
	1.B Building plans (>500m <sup>2</sup> ) approved within 60 days (%)	96%	96%		
	<b>Reason for variance:</b> On target  <b>Remedial action:</b> Maintain the momentum				
	1.C Property revenue clearance certificates issued within ten workings days (%)	90%	96,44%		
	<b>Reason for variance:</b> Relevant staff worked overtime to ensure that revenue clearance certificates are processed on time.  <b>Remedial action:</b> Maintain the momentum				
1.D Commercial electricity services applications finalised within industry standard timeframes (%)	New	New	New		
<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a					
1.E Council-approved trading plans developed or revised for informal trading (number)	New	New	New		
<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a					
1.F Regulatory impact assessments (RIA) completed (number)	New	New	New		
<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a					

		2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
TARGET	ACTUAL	STATUS			
96%	70,3%	↓		<b>Spatial Planning and Environment</b> R McGaffin	
<b>Reason for variance:</b> The variance is the result of system enhancements done (system migration from DAMS1 to DAMS2) during February/March 2023. The new system resulted in some residual data migration challenges that also affected the reporting of the data.					
<b>Remedial action:</b> Enterprise resource planning (ERP) and Development Management are addressing residual data migration issues and it is expected that issues will be resolved before reporting commences for quarter 1 of 2023/24.					
96%	74,00%	↓		<b>Spatial Planning and Environment</b> R McGaffin	
<b>Reason for variance:</b> The variance is the result of system enhancements done (system migration from DAMS1 to DAMS2) during February/March 2023. The new system resulted in some residual data migration challenges that also affected the reporting of the data.					
<b>Remedial action:</b> Enterprise resource planning (ERP) and Development Management are addressing residual data migration issues and it is expected that issues will be resolved before reporting commences for quarter 1 of 2023/24.					
93%	99,73%	↑		<b>Finance</b> K Jacoby	
<b>Reason for variance:</b> Above target					
<b>Remedial action:</b> Maintain the momentum					
95%	100%	↑		<b>Energy</b> K Nassiep	
<b>Reason for variance:</b> Above target					
<b>Remedial action:</b> Maintain the momentum					
8	8	●		<b>Economic Growth</b> R Gelderbloem	
<b>Reason for variance:</b> On target					
<b>Remedial action:</b> Maintain the momentum					
4	4	●		<b>Economic Growth</b> R Gelderbloem	
<b>Reason for variance:</b> On target					
<b>Remedial action:</b> Maintain the momentum					

## APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET					
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			
		TARGET	ACTUAL	STATUS	
<b>PRIORITY: ECONOMIC GROWTH (CONTINUED)</b>					
1. INCREASED JOBS AND INVESTMENT IN THE CAPE TOWN ECONOMY	1.G Work opportunities created through Public Employment Programmes (number) (NKPI)	25 000	40 600		
	<p><b>Reason for variance:</b> The target was reduced during the year due to the uncertainties associated with the Covid-19 lockdown, regulations and restrictions. The targets will be adjusted after the current financial year once performance has been ascertained following budget reductions.</p> <p><b>Remedial action:</b> The targets will be adjusted during the mid-year adjustment process.</p>				
<b>PRIORITY: BASIC SERVICES</b>					
2. IMPROVED ACCESS TO QUALITY AND RELIABLE BASIC SERVICES	2.A Taps provided in informal settlements (number) (NKPI)	700	801		
	<p><b>Reason for variance:</b> Overachievement due to good contractor performance.</p> <p><b>Remedial action:</b> Maintain the momentum</p>				
	2.B Toilets provided in informal settlements (number)(NKPI)	2 500	6 540		
	<p><b>Reason for variance:</b> Overachievement due to good contractor performance.</p> <p><b>Remedial action:</b> Maintain the momentum</p>				
	2.C Informal settlements receiving waste removal and area cleaning services (%) (NKPI)	99%	99,79%		
<p><b>Reason for variance:</b> Above target</p> <p><b>Remedial action:</b> Maintain the momentum</p>					
	2.D Subsidised electricity connections installed (number) (NKPI)	1 500	1 503		
<p><b>Reason for variance:</b> Above target</p> <p><b>Remedial action:</b> Maintain the momentum</p>					



	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	35 000	43 230	↑	<b>Urban Waste Management</b> L Mdunyelwa
<b>Reason for variance:</b> The participant turnover rate was quite high during the financial year. Participants do not stay long in a project, resulting in new participants being employed and the project ends up providing more work opportunities than initially planned.  <b>Remedial action:</b> Maintain the momentum				
	700	769	↑	<b>Water and Sanitation</b> L Manus
<b>Reason for variance:</b> Above target <b>Remedial action:</b> Maintain the momentum				
	2 500	5 215	↑	<b>Water and Sanitation</b> L Manus
<b>Reason for variance:</b> The priority of providing toilets as an emergency relief measure to recently invaded areas, the ongoing provision of additional toilets and the condemnation and replacement of toilets that reached the end of their lifespan contributed to overall toilet provision totals. Portable flush toilets (PFTs) issued on a single household basis were used extensively as they have a lower unit cost compared to other sanitation typologies such as chemical toilets and full flush toilets (FFTs).  <b>Remedial action:</b> Maintain the momentum				
	99%	99,78%	↑	<b>Urban Waste Management</b> L Mdunyelwa
<b>Reason for variance:</b> Above target <b>Remedial action:</b> Maintain the momentum				
	1 500	2 440	↑	<b>Energy</b> K Nassiep
<b>Reason for variance:</b> Target exceeded due to meter installations intended to be finalised during the 2022 financial year, taking effect in 2023 financial year; good contractor performance; minimal interference from communities; and project managers are adequately equipped to execute implementation-ready projects (material availability, etc.).  <b>Remedial action:</b> Maintain the momentum				

# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET					
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			
		TARGET	ACTUAL	STATUS	
<b>PRIORITY: BASIC SERVICES (CONTINUED)</b>					
<b>3. END LOAD-SHEDDING IN CAPE TOWN OVER TIME</b>	3.A Capacity of additional approved alternative energy sources (small-scale embedded generation (SSEG)) grid-tied installations (megavolt ampere)	5 MVA	19,49 MVA		<p><b>Reason for variance:</b> Applications are being processed timeously. A higher-than-anticipated number of applications were received and processed.</p> <p><b>Remedial action:</b> Maintain the momentum</p>
	3.B Load-shedding level variance (%)	New	New	New	<p><b>Reason for variance:</b> n/a</p> <p><b>Remedial action:</b> n/a</p>
<b>4. WELL-MANAGED AND MODERNISED INFRASTRUCTURE TO SUPPORT ECONOMIC GROWTH</b>	4.A Sewer reticulation pipelines replaced (metres)	New	New	New	<p><b>Reason for variance:</b> n/a</p> <p><b>Remedial action:</b> n/a</p>
	4.B Compliance with drinking-water quality standards (%)	98%	98,96%		<p><b>Reason for variance:</b> Above target</p> <p><b>Remedial action:</b> Maintain the momentum</p>
	4.C Total augmented water capacity in megalitres per day (MLD)	New	New	New	<p><b>Reason for variance:</b> n/a</p> <p><b>Remedial action:</b> n/a</p>

	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	5 MVA	6,84 MVA	↑	Energy K Nassiep
<p><b>Reason for variance:</b> Exceeded; results are customer driven.</p> <p><b>Remedial action:</b> Maintain the momentum</p>				
	40%	14,02%	↓	Energy K Nassiep
<p><b>Reason for variance:</b> Exceptional high load-shedding incidents.</p> <p><b>Remedial action:</b> Life extension of the Steenbras dam's hydro pumped storage scheme (a scheme that provides Cape Town with cost-effective hydro-generated electricity) and procurement of battery energy system storage (BESS) is under way.</p>				
	50 000	55 164	↑	Water and Sanitation L Manus
<p><b>Reason for variance:</b> The over-performance was attributed to proactive planning where the programme's projects were spread throughout our available framework tenders and advertised timeously, to secure the contractors' resources and to prevent a stop-start approach. In addition to this, the dedicated sewer replacement project managers who were appointed to the Planning, Design and Projects Section through the Mayoral Priority Plan also contributed greatly towards our success. They focused solely on investigations, design and execution of both proactive and reactive sewer replacement projects. The additional resources enabled us to have an additional projects list with "ready to advertise" projects for when additional budget became available.</p> <p><b>Remedial action:</b> Maintain the momentum</p>				
	99%	99,18%	↑	Water and Sanitation L Manus
<p><b>Reason for variance:</b> Above target</p> <p><b>Remedial action:</b> Maintain the momentum</p>				
	20	23,92	↑	Water and Sanitation L Manus
<p><b>Reason for variance:</b> The actual augmented water capacity is 19,62% more than the target, and this overreach is considered within standard deviation limits given the variability of groundwater systems and the complexities inherent in alien vegetation clearing programmes.</p> <p><b>Remedial action:</b> Maintain the momentum</p>				



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# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE		ABOVE		ON TARGET		BELOW		WELL BELOW		AT: ANNUAL TARGET	
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			STATUS						
		TARGET	ACTUAL								
<b>PRIORITY: BASIC SERVICES (CONTINUED)</b>											
<b>4. WELL-MANAGED AND MODERNISED INFRASTRUCTURE TO SUPPORT ECONOMIC GROWTH</b>	4.D Valid applications for residential water services closed within the response standard (%) (NKPI)	New	New	New							
	<b>Reason for variance:</b> n/a										
	<b>Remedial action:</b> n/a										
	4.E Valid applications for residential sewerage services closed within the response standard (%) (NKPI)	New	New	New							
<b>Reason for variance:</b> n/a											
<b>Remedial action:</b> n/a											
4.F Service requests for non-collection of refuse resolved within three days (%) (NKPI)	New	New	New								
<b>Reason for variance:</b> n/a											
<b>Remedial action:</b> n/a											
4.G Residential electricity services applications finalised within industry standard timeframes (%) (NKPI)	New	New	New								
<b>Reason for variance:</b> n/a											
<b>Remedial action:</b> n/a											

		2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS		
	80%	67,32%	↓		<b>Water and Sanitation</b> L Manus
	<p><b>Reason for variance:</b> The actual reported is the cumulative figure for the financial year. The under achievement in Q1 and Q2 was due to the delays in contract implementation. Furthermore, all service orders were taken into account even if not paid or being site ready, causing the calculation to account for invalid applications also accounted for in the calculation.</p> <p><b>Remedial action:</b> Contract in place and monitored daily and only valid applications accounted for in the calculation.</p>				
	80%	67,32%	↓		<b>Water and Sanitation</b> L Manus
	<p><b>Reason for variance:</b> The actual reported is the cumulative figure for the financial year. The under-achievement in Q1 and Q2 was due to the delays in contract implementation. Furthermore, all service orders were taken into account, even if not paid or being site ready, causing the calculation to account for invalid applications also accounted for in the calculation.</p> <p><b>Remedial action:</b> Contract in place and monitored daily and only valid applications accounted for in the calculation.</p>				
	96%	37,59%	↓		<b>Urban Waste Management</b> L Mdunyelwa
	<p><b>Reason for variance:</b></p> <ol style="list-style-type: none"> <li>1. Critical vacancies of superintendents and senior superintendents still create a gap with respect to managing both operations and administrative functions.</li> <li>2. The daily availability of refuse removal vehicles does not meet the needs of the branch.</li> <li>3. The withdrawal of the contractor in Area South (Brown's Farm area) has put additional pressure on vehicle availability.</li> </ol> <p><b>Remedial action:</b></p> <ol style="list-style-type: none"> <li>1. Management is actively driving the process of filling critical vacancies.</li> <li>2. Engagement with stakeholders to address vehicle availability.</li> <li>3. Continued awareness and training for staff to ensure that notifications are closed timely.</li> <li>4. New contracts were implemented on 1 July; this should improve the collection of refuse in contracted-out areas.</li> <li>5. Although progress has been made since Q1, interventions are ongoing to address the issues and challenges to achieve the set targets.</li> </ol>				
	95%	60,65%	↓		<b>Energy</b> K Nassiep
	<p><b>Reason for variance:</b> Delays are suspected to be due to a combination of long waits for wayleaves, time taken for the customer to indicate readiness to receive the connection, and shortages in the supply of equipment such as mini-substations, cables, etc.</p> <p><b>Remedial action:</b> Investigations are under way to determine where exactly the blockages exist so as to make an informed determination as how best to remove these.</p>				

# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

		WELL ABOVE	ABOVE	ON TARGET	BELOW	WELL BELOW	AT: ANNUAL TARGET
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE					
		TARGET	ACTUAL	STATUS			
<b>PRIORITY: SAFETY</b>							
5. EFFECTIVE LAW ENFORCEMENT TO MAKE COMMUNITIES SAFER	5.A Drone flights used for safety and security activities (number)	New	New	New	<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a		
	5.B Roadblocks focused on drinking-and-driving offences (number)	New	New	New	<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a		
	5.C Closed-circuit television (CCTV) detected incidents relayed to responders (number)	New	New	New	<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a		
6. STRENGTHEN PARTNERSHIPS FOR SAFER COMMUNITIES	6.A New auxiliary law enforcement officers recruited and trained (number)	New	New	New	<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a		
	6.B Client satisfaction survey for neighbourhood watch support programme (%)	New	New	New	<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a		



	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	40	930	↑	Safety and Security V Botto
<p><b>Reason for variance:</b> The directorate realised a total number of 930 flights during the 2022/23 financial year through a contractually appointed service provider to conduct commercial RPAS (Remotely Piloted Aircraft System) operations. Performance is measured by the number of flights conducted at various planned operations as well as ad hoc/emergency type incidents across the city. One operation could have had a number of flights.</p> <p><b>Remedial action:</b> Maintain the momentum</p>				
	676	724	↑	Safety and Security V Botto
<p><b>Reason for variance:</b> Additional roadblocks are often conducted which are not necessarily planned due to complaints from residents.</p> <p><b>Remedial action:</b> Maintain the momentum</p>				
	10 000	22 498	↑	Safety and Security V Botto
<p><b>Reason for variance:</b> During Q4, 7 240 incidents were detected via the CCTV system, with 7 240 successfully relayed to responders for appropriate action. The department will continue to dispatch the available resources to incidents detected on the camera system.</p> <p><b>Remedial action:</b> The CCTV control centres are diligently monitoring the public areas and will refer all incidents for dispatch in order to prevent the crime from escalating, or resolve the issue detected.</p>				
	80	81	↑	Safety and Security V Botto
<p><b>Reason for variance:</b> Above target</p> <p><b>Remedial action:</b> Maintain the momentum</p>				
	70%	100%	↑	Safety and Security V Botto
<p><b>Reason for variance:</b> The percentage achieved is based on the formula which calculates the number of surveys that met the satisfaction score of at least 70% divided by the total number of surveys for Q4. The percentage achieved for Q4 is therefore 100% based on the formula.</p> <p><b>Remedial action:</b> Maintain the momentum</p>				

# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET					
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			
		TARGET	ACTUAL	STATUS	
<b>PRIORITY: HOUSING</b>					
<b>7. INCREASED SUPPLY OF AFFORDABLE, WELL-LOCATED HOMES</b>	7.A Well-located land parcels released to the private sector for affordable housing (number)	New	New	New	
	<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a				
	7.B Human settlement top structures (houses) provided per housing programme (number)	2 430	2 517		
	<b>Reason for variance:</b> Above target  <b>Remedial action:</b> Maintain the momentum				
	7.C Formal housing serviced sites provided (number)	1 940	1 423		
<b>Reason for variance:</b> Missed target due to community protest action at the Greenville phase 4 housing project.  <b>Remedial action:</b> The protest action issues were resolved, and the balance of the sites will be practically completed by the end of August 2022.					
7.D Land acquired for human settlements in priority housing development areas (Hectares)	New	New	New		
<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a					
7.E Transfer of ownership to new beneficiaries (number)	New	New	New		
<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a					

	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	4	1	↓	Human Settlements N Gqiba
<p><b>Reason for variance:</b></p> <p>1. Delays in the development of land release guidelines for mixed market development impacted negatively on land release delivery timeframes.</p> <p>2. Absence of legal guidelines on the application of legal opinion recommending alternative approach to the release and discounting of land earmarked for social housing.</p> <p><b>Remedial action:</b></p> <p>1. The land release guidelines were approved by Council on 25 May 2023.</p> <p>2. Legal guidance has been obtained on the release of pure social housing development.</p> <p>3. Affordable Housing Policy is under development to institutionalise the land release approach and discounting methodology for a range of affordable housing developments.</p>				
	1 740	1 811	↑	Human Settlements N Gqiba
<p><b>Reason for variance:</b></p> <p>Above target</p> <p><b>Remedial action:</b></p> <p>Maintain the momentum</p>				
	2 600	1 638	↓	Human Settlements N Gqiba
<p><b>Reason for variance:</b></p> <p>The Delft Symphony Way project was terminated as a result of ongoing violence and intimidation, which led to four construction workers being shot, the construction site being petrol bombed and, ultimately, the murder of a City official. This resulted in the first phase not being completed before the end of the financial year.</p> <p><b>Remedial action:</b></p> <p>The panel for the construction of civil services will be used to complete the sites.</p>				
	10	0	↓	Human Settlements N Gqiba
<p><b>Reason for variance:</b></p> <p>The properties earmarked for acquisition in the priority human settlements housing development areas (PHSHDAs) are owned by the Western Cape Government (WCG). There are currently delays in the Office of the State Attorney to initiate the transfers of these land parcels to the City.</p> <p><b>Remedial action:</b></p> <p>The WCG has been engaged and have confirmed that the City could appoint its own conveyancers to effect the transfer.</p>				
	1 900	2 372	↑	Human Settlements N Gqiba
<p><b>Reason for variance:</b></p> <p>More transfers for the Harare Phase 1 and 2 and Greenville Phase 3 and 4 Housing projects were done than planned for the financial year.</p> <p><b>Remedial action:</b></p> <p>Maintain the momentum</p>				

# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE 🟢 ABOVE ↑ ON TARGET ● BELOW ↓ WELL BELOW 🟡 AT: ANNUAL TARGET					
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			
		TARGET	ACTUAL	STATUS	
<b>PRIORITY: HOUSING (CONTINUED)</b>					
8. SAFER, BETTER-QUALITY HOMES IN INFORMAL SETTLEMENTS AND BACKYARDS OVER TIME	8.A Informal settlement sites serviced (number)	800	829	↑	
		<b>Reason for variance:</b> Above target  <b>Remedial action:</b> Maintain the momentum			
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES</b>					
9. HEALTHY AND SUSTAINABLE ENVIRONMENT	9.A Proportion of biodiversity priority areas protected (%)	New	New	New	
		<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a			
	9.B Biodiversity priority areas remaining (hectares)	New	New	New	
<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a					
9.C Severe/moderate dehydration in children under the age of five presenting at City health facilities with diarrhoea (%)		New	New	New	
		<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a			
10. CLEAN AND HEALTHY WATERWAYS AND BEACHES	10.A Coastline with protection measures in place (%)	New	New	New	
		<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a			

	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	1 000	1 002	↑	Human Settlements N Gqiba
<b>Reason for variance:</b> Above target  <b>Remedial action:</b> Maintain the momentum				
	65,33%	65,14%	↓	Spatial Planning and Environment R McGaffin
<b>Reason for variance:</b> The target was not met due to the gazetted abolition (de-proclamation) of Cape Nature's Driftsands nature reserve on 21 November 2022.  <b>Remedial action:</b> No further remedial action required.				
	85 000	81 418	↓	Spatial Planning and Environment R McGaffin
<b>Reason for variance:</b> The target was not met due to development in critical biodiversity areas (CBAs) and loss of Driftsands nature reserve.  <b>Remedial action:</b> No further remedial action required.				
	<5,2%	2,4%	↑	Community Services and Health Z Mandlana
<b>Reason for variance:</b> The target was exceeded due to the following contributing factors: - Improved access to clean water and sanitation plays a role in reducing the incidence of diarrhoea. - The immunisation programme: Vaccination against rotavirus, which is the leading cause of severe childhood diarrhoea. - Health promotion initiatives aimed at creating awareness also contributed towards the decline in moderate and severe causes of diarrhoea.  <b>Remedial action:</b> Target has been dropped from <5,2% to <5,1%. The department is exploring options to further drop the target during the mid-year review period.				
	6,27%	6,20%	↓	Spatial Planning and Environment R McGaffin
<b>Reason for variance:</b> Appeal of dune term tender and subsequent delays in dune rehabilitation works at Fleur Park, Gordon's Bay, Table View and Bloubergstrand.  <b>Remedial action:</b> Appeal process completed and dune rehabilitation work has commenced.				



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## APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET					
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			
		TARGET	ACTUAL	STATUS	
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES (CONTINUED)</b>					
10. CLEAN AND HEALTHY WATERWAYS AND BEACHES	10.B Days in a year that vleis are open (%)	New	New	New	
		<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a			
11. QUALITY AND SAFE PARKS AND RECREATION FACILITIES	11.A Recreation and Parks open space mowed according to annual mowing plan (%)	New	New	New	
		<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a			
<b>PRIORITY: TRANSPORT</b>					
12. A SUSTAINABLE TRANSPORT SYSTEM THAT IS INTEGRATED, EFFICIENT AND PROVIDES SAFE AND AFFORDABLE TRAVEL OPTIONS FOR ALL	12.A Passengers transported for each scheduled kilometre travelled by MyCiTi buses (ratio)	0,94	0,97		
		<b>Reason for variance:</b> Above target  <b>Remedial action:</b> Maintain the momentum			
	12.B Passenger journeys travelled on MyCiTi buses (number)	12 500 000	14 258 883		
		<b>Reason for variance:</b> MyCiTi passenger journeys have recovered at a much faster rate due to the multiplier effect of the N2 Express service reinstatement and easing of Covid-19 restrictions. N2 Express passenger journeys were not included in the Q3 and Q4 projections and target amendments, as the reinstatement of the N2 Express service was still uncertain at the time of setting these targets.  <b>Remedial action:</b> N2 Express passenger journeys to be included in future projections and targets.			
	12.C Road corridors on which traffic signal timing plans are updated (number)	New	New	New	
		<b>Reason for variance:</b> n/a  <b>Remedial action:</b> n/a			













	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	65%	93%	↑	<b>Water and Sanitation</b> L Manus
<b>Reason for variance:</b> The water quality was considered good according to the water-quality monitoring system in place, but there was a minimal pollution incident detected that impacted on the vleis.  <b>Remedial action:</b> Maintain the momentum				
	80%	100,5%	↑	<b>Community Services and Health</b> Z Mandlana
<b>Reason for variance:</b> Although there was a lag in the first half of the financial year, due to the absence of a mowing tender, the department's management put extra effort in ensuring processes and contingencies were in place, including services delivered by means of internal mowing teams. Since the inception of the mowing tender, both internal and external teams contributed towards an acceleration of the service, which resulted in an over-achievement of planned mowing activities.  <b>Remedial action:</b> A revised tender is currently in the procurement process, ensuring the contract required date is achieved as a precautionary measure towards mitigating disruption of mowing services.				
	1,06	1,06	●	<b>Urban Mobility</b> D Campbell
<b>Reason for variance:</b> On target  <b>Remedial action:</b> Maintain the momentum				
	16 900 000	18 323 763	↑	<b>Urban Mobility</b> D Campbell
<b>Reason for variance:</b> Above target  <b>Remedial action:</b> Maintain the momentum				
	5	5	●	<b>Urban Mobility</b> D Campbell
<b>Reason for variance:</b> On target  <b>Remedial action:</b> Maintain the momentum				

# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET					
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			
		TARGET	ACTUAL	STATUS	
<b>PRIORITY: TRANSPORT (CONTINUED)</b>					
13. SAFE AND QUALITY ROADS FOR PEDESTRIANS, CYCLISTS AND VEHICLES	13.A Surfaced road resurfaced (kilometres)	New	New	New	
		Reason for variance: n/a Remedial action: n/a			
	13.B Potholes reported per 10 km of network	New	New	New	
		Reason for variance: n/a Remedial action: n/a			
<b>PRIORITY: A RESILIENT CITY</b>					
14. A RESILIENT CITY	14.A Public safety awareness and preparedness sessions held in the communities (number)	New	New	New	
		Reason for variance: n/a Remedial action: n/a			
	14.B New Disaster Risk Management volunteers recruited (number)	New	New	New	
		Reason for variance: n/a Remedial action: n/a			
	14.C Stormwater cleaning budget spend (%)	New	New	New	
		Reason for variance: n/a Remedial action: n/a			
<b>PRIORITY: A MORE SPATIALLY INTEGRATED AND INCLUSIVE CITY</b>					
15. A MORE SPATIALLY INTEGRATED AND INCLUSIVE CITY	15.A Local neighbourhood plans approved for mixed-use development (number)	New	New	New	
		Reason for variance: n/a Remedial action: n/a			











	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	180	180,2	●	Urban Mobility D Campbell
<b>Reason for variance:</b> Above target  <b>Remedial action:</b> Maintain the momentum				
	56	29,99	↑	Urban Mobility D Campbell
<b>Reason for variance:</b> The indicator is customer driven and fewer potholes were reported than estimated.  <b>Remedial action:</b> Maintain the momentum				
	500	679	↑	Safety and Security V Botto
<b>Reason for variance:</b> The variance is due to the ongoing Mayoral Priority campaigns, i.e. fire- and flood-wise programmes including the need for DRM to report on the winter readiness and Climate Change Action Plan, has resulted in the increased number of community sessions.  <b>Remedial action:</b> Maintain the momentum				
	50	84	↑	Safety and Security V Botto
<b>Reason for variance:</b> During the 2022/23 financial year, a total of 84 volunteers were recruited. Disaster Risk Management received a high rate of applications for volunteers and only applicants who fail the criminal and drug testing are turned away.  <b>Remedial action:</b> Maintain the momentum				
	90%	95%	↑	Urban Mobility D Campbell
<b>Reason for variance:</b> Above target  <b>Remedial action:</b> Maintain the momentum				
	3	4	↑	Spatial Planning and Environment R McGaffin
<b>Reason for variance:</b> Progressed better than planned. The planned targets of three local spatial development frameworks (LSDFs) and four LSDFs were approved by Council.  <b>Remedial action:</b> Maintain the momentum				

# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET				
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE		
		TARGET	ACTUAL	STATUS
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>				
<b>16. A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>	16.A Community satisfaction City-wide survey (score 1-5)	2,7	2,7	
	<b>Reason for variance:</b> Above target  <b>Remedial action:</b> Maintain the momentum			
	16.B Opinion of independent rating agency	High investment rating	High investment rating	
	<b>Reason for variance:</b> On target  <b>Remedial action:</b> Maintain the momentum			
	16.C Opinion of the Auditor-General	Clean audit	Clean audit	
<b>Reason for variance:</b> On target  <b>Remedial action:</b> Maintain the momentum				
16.D Spend of capital budget (%) (NKPI)	90,00%	89,03%		
<b>Reason for variance:</b> See note 38.6 to the City's annual financial statements for detailed reasons for variance per directorate (vote).  <b>Remedial action:</b> Engagement with directors and responsible project managers is ongoing to ensure that tracking and monitoring of projects occur within the prescribed timeframes, and that corrective actions are processed timeously to ensure maximum spend. Unspent committed funds for 2021/22 will be rolled over to 2022/23 in the August 2022 adjustments budget. Citywide action: A working group established by the City Manager meets on a monthly basis to review all the City's capital expenditure and corporate contracts.				
16.E Cash/cost coverage ratio (NKPI)	2,1:1	1,84:1		
<b>Reason for variance:</b> Well above  <b>Remedial action:</b> Maintain the momentum				

	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	2,8	2,8	●	Future Planning and Resilience G Morgan
<b>Reason for variance:</b> On target  <b>Remedial action:</b> Maintain the momentum				
	High investment rating	Ba3/Aa3.za/P-1.za long- and short-term High Investment rating	●	Finance K Jacoby
<b>Reason for variance:</b> On target  <b>Remedial action:</b> Maintain the momentum				
	Unqualified audit opinion	Unqualified Audit Opinion	On Target	Finance K Jacoby
<b>Reason for Variance:</b> On target  <b>Remedial Action:</b> Maintain the momentum				
	90,00%	92,3%	↑	Finance K Jacoby
<b>Reason for variance:</b> Well above target  <b>Remedial action:</b> Maintain the momentum				
	1,70:1	1,97:1	↑	Finance K Jacoby
<b>Reason for variance:</b> Figures supplied are unaudited, and as such they are provisional in nature until audit of annual financial statements are finalised.  <b>Remedial action:</b> Maintain the momentum				

# APPENDIX B: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CITY OF CAPE TOWN (CONTINUED)

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET				
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE		
		TARGET	ACTUAL	STATUS
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT (CONTINUED)</b>				
<b>16. A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>	16.F Net debtors to annual income (NKPI)	21,50%	16,61%	
	<b>Reason for variance:</b> Well above			
	<b>Remedial action:</b> Maintain the momentum			
	16.G Debt (total borrowings) to total operating revenue (NKPI)	24,20%	19,78%	
	<b>Reason for variance:</b> Well above			
	<b>Remedial action:</b> Maintain the momentum			
	16.H Kilometres of fibre infrastructure for broadband connectivity installed (kilometres)	New	New	New
<b>Reason for variance:</b> n/a				
<b>Remedial action:</b> n/a				
16.I Employees from the employee equity (EE) designated groups in the three highest levels of management (%) (NKPI)	75%	75,24%		
<b>Reason for variance:</b> Above target				
<b>Remedial action:</b> Maintain the momentum				
16.J Budget spent on implementation of Workplace Skills Plan (%)	90%	94,75%		
<b>Reason for variance:</b> Above target				
<b>Remedial action:</b> Maintain the momentum				
16.K Adherence to service requests (%)	90%	85,35%		
<b>Reason for variance:</b> Delays in service delivery due to a combination of factors, including gang violence, ongoing vandalism and theft of City infrastructure in areas, material shortages, and fleet management: - Unavailability of fleet vehicles (vehicles stolen, hijacked and torched, and not replaced as yet) - Fleet repairs and maintenance				
<b>Remedial action:</b> Security staff to be seen enforcing the rule of law. Prosecute scrapmetal dealers and thieves found in possession of stolen City property. Outsource repairs and maintenance for vehicles.				

	2022/23 ANNUAL PERFORMANCE			DIRECTORATE AND RESPONSIBLE EXECUTIVE DIRECTOR
	TARGET	ACTUAL	STATUS	
	20,67%	16,79%	↑	Finance K Jacoby
<b>Reason for variance:</b> Above target				
<b>Remedial action:</b> Maintain the momentum				Finance K Jacoby
	30,52%	21,18%	↑	
<b>Reason for variance:</b> Above target				Finance K Jacoby
<b>Remedial action:</b> Maintain the momentum				
	25 km	41,18 km	↑	Corporate Services E Sass
<b>Reason for variance:</b> The project team and the contractor applied greater urgency to the programme and achieved unexpectedly better results.				
<b>Remedial action:</b> Maintain the momentum				Future Planning and Resilience G Morgan
	75%	73,63%	↓	
<b>Reason for variance:</b> The Departmental Support Services managers (DDS) were dropped from level 3 to level 4 after a SAP (system applications products) review, which affected the overall result, i.e. drop from 75% actual to 73,63%. Before the SAP review, the DSS managers were included as level 3.				Future Planning and Resilience G Morgan
<b>Remedial action:</b> Through its recruitment and selection process, the City will endeavour to address under-representation of designated groups in levels 1-3 over the 2023/2024 financial year, as per the EE Plan.				
	90%	125,24%	↑	Corporate Services E Sass
<b>Reason for variance:</b> The City received grant funding from National Treasury and LG SETA (Local Government Sector Education Authority) and over-invested in the training to develop its staff.				
<b>Remedial action:</b> Maintain the momentum				Corporate Services E Sass
	90%	87,94%	↓	
<b>Reason for variance:</b> Targets set on the system were not fully aligned with the required timeframe to complete and close service requests.				Corporate Services E Sass
<b>Remedial action:</b> Revised service standards have been proposed for the 2023/24 financial year in order to ensure achievement of targets going forward.				



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## APPENDIX B1: DEFINITIONS FOR 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: ECONOMIC GROWTH</b>		
1. Increased jobs and investment in the Cape Town economy	1.A Building plans (<500 m <sup>2</sup> ) approved within 30 days (%)	Measures the percentage of building plans approved within statutory timeframes (30 days) for structures of <500 m <sup>2</sup> . Section A7 of the National Building Regulations Act 103 of 1977.
	1.B Building plans (>500 m <sup>2</sup> ) approved within 60 days (%)	Measures the percentage of building plans approved within statutory timeframes (60 days) for structures of >500 m <sup>2</sup> . Section A7 of the National Building Regulations Act 103 of 1977.
	1.C Property revenue clearance certificates issued within ten working days (%)	Measures the percentage of revenue clearance certificates issued by the City within ten working days of a completed submission. A revenue clearance certificate reflects all of the debts collected on the property, including rates. The purpose of the document is to prove that all the outstanding debt on the property has been paid by the seller. A completed submission refers to the point when all necessary information has been supplied in relation to the certificate. The ten days, in this instance, refer to ten working days, not days of the week. Proxy measure for C88 LED3.21.
	1.D Commercial electricity services applications finalised within industry standard timeframes (%)	Measures the percentage of commercial electricity services applications finalised within industry standard timeframes as set by the National Rationalised Standard 047. Refers specifically to the time taken from the acceptance of the quotation until supply is finalised. The exact length of time is determined by agreement with the customer.
	1.E Council-approved trading plans developed or revised for informal trading (number)	Measures the number of Council-approved trading plans developed or revised for informal trading. A trading plan demarcates trading areas within a particular ward or precinct, thereby giving security of tenure to traders and allowing the City to undertake necessary infrastructure upgrades to the facilities to create dignified and accessible trading opportunities. Trading plans undergo an extensive public consultative process with all area stakeholders and are deemed complete when they are finally passed by full Council.
	1.F Regulatory impact assessments (RIAs) completed (number)	Measures the number of RIAs completed on the City's current by-laws and policies to ensure that they do not impose an unnecessary cost or burden on businesses. They include recommendations to be implemented by the relevant department. The RIAs are deemed complete when they are signed off by the delegated authority in both the Economic Growth Directorate and the relevant line department.

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: ECONOMIC GROWTH (CONTINUED)</b>		
1. Increased jobs and investment in the Cape Town economy	1.G Work opportunities created through public employment programmes (number) (NKPI)	<p>Measures the number of short-term work opportunities provided by the City through public employment programmes such as the Expanded Public Works Programme (EPWP), Community Works Programme (CWP) and other, related infrastructure initiatives. EPWP is a nationwide programme covering all spheres of government and state-owned enterprises. EPWP projects employ workers on a temporary or ongoing basis with government, contractors or other non-governmental organisations under the ministerial conditions of employment for the EPWP or learnership employment conditions. The CWP was established to provide an employment safety net to eligible members of target communities, offering them a minimum number of regular days of work each month. The programme targets unemployed and underemployed people. The stipends that participants receive supplement their existing livelihoods and provide them with a basic level of income security. The indicator tracks the number of unique work opportunities generated during the quarter, regardless of the duration.</p> <p>Proxy for NKPI per MSA Regulation 10(a). Proxy measure for C88 LED1.21.</p>
<b>PRIORITY: BASIC SERVICES</b>		
2. Improved access to quality and reliable basic services	2.A Taps provided in informal settlements (number) (NKPI)	Measures the number of taps provided in informal settlements in the period in review. However, some taps may have been vandalised or removed after provision. Proxy measure for NKPI per MSA Regulation 10(a).
	2.B Toilets provided in informal settlements (number) (NKPI)	Measures the number of toilets provided in informal settlements in the period in review. However, some toilets may have been vandalised or removed after provision. Proxy measure for NKPI per MSA Regulation 10(a).
	2.C Informal settlements receiving waste removal and area cleaning services (%) (NKPI)	<p>Measures the percentage of authorised informal settlements receiving waste removal and area cleaning services for the period in review. The services are rendered through contracted services, employing local labour.</p> <p>'Waste removal' is defined as the activities and actions required to manage waste from inception to its final disposal. This includes the collection, transport, treatment and disposal of waste, together with monitoring and regulation of the waste management process.</p> <p>'Area cleaning' is defined as a service provided on a boundary-to-boundary basis on public property and terrain that Council is responsible for. Roads, conservation areas and property that have been legislated as other government departments' responsibility may receive a service on contract with a service provider, or in accordance with a service level agreement (SLA) in the case of a government department. Proxy measure for NKPI per MSA Regulation 10(a).</p>

## APPENDIX B1: DEFINITIONS FOR 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN (CONTINUED)

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: BASIC SERVICES (CONTINUED)</b>		
2. Improved access to quality and reliable basic services	2.D Subsidised electricity connections installed (number) (NKPI)	Measures the number of subsidised electricity connections installed per annum in informal settlements, public rental stock backyard dwellings (pilot) and low-cost housing. Proxy measure for NKPI per MSA Regulation 10(a).
3. End load-shedding in Cape Town over time	3.A Capacity of additional approved alternative-energy (small-scale embedded generation (SSEG)) grid-tied installations (megavolt ampere)	Measures the total capacity of additional approved SSEG installations in the municipal distribution network, in megavolt ampere. 'SSEG' refers to alternative energy sources, predominantly solar and wind. Proxy measure for C88 EE4.12.
	3.B Load-shedding level variance (%)	Measures the amount of additional energy generated by the City and its contracted suppliers during load-shedding, as a percentage of the total demand reduction required by Eskom to keep the network stable.
4. Well-managed and modernised infrastructure to support economic growth	4.A Sewer reticulation pipelines replaced (metres)	Measures the metres of wastewater reticulation pipeline replaced.
	4.B Compliance with drinking water quality standards (%)	Measures the pass rate of potable water samples against the SANS 241 standard.
	4.C Total augmented water capacity in megalitres per day (Mℓ/d)	Measures the augmented water production capacity brought online from New Water Programme schemes since the adoption of the Cape Town Water Strategy in 2020, in Mℓ/d, as a cumulative total.
	4.D Valid applications for residential water services closed within the response standard (%) (NKPI)	Measures the number of valid applications for residential water services closed within the standard number of days, expressed as a percentage of the total number of valid applications for residential water services received. Proxy measure for NKPI per MSA Regulation 10(a).
	4.E Valid applications for residential sewerage services closed within the response standard (%) (NKPI)	Measures the number of valid applications for residential sewerage services closed within the standard number of days, expressed as a percentage of the total number of valid applications for residential sewerage services received. Proxy measure for NKPI per MSA Regulation 10(a).
	4.F Service requests for non-collection of refuse resolved within three days (%) (NKPI)	Measures the number of service requests for the non-collection of residential refuse reported and closed within three days, expressed as a percentage. Proxy measure for NKPI per MSA Regulation 10(a).
	4.G Residential electricity services applications finalised within industry standard timeframes (%) (NKPI)	Measures the percentage of residential electricity services applications finalised within industry timeframes. Refers specifically to the time taken from the acceptance of the quotation until supply is finalised. The exact length of time is determined by the nature of the work required to provide the supply. Proxy measure for NKPI per MSA Regulation 10(a).

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: SAFETY</b>		
5. Effective law enforcement to make communities safer	5.A Drone flights used for safety and security activities (number)	Measures the number of drone flights used for approved safety and security activities through partnerships and contracts. Drone technology offers enhanced situational awareness and evidence gathering for the benefit of community safety. Seasonal (weather) constraints as well as the unknown nature of safety and security operations will dictate different quarterly utilisation statistics.
	5.B Roadblocks focused on drinking-and-driving offences (number)	Measures the number of roadblocks held with a focus on addressing drinking-and-driving offences by motorists.
	5.C Incidents detected via closed-circuit television (CCTV) and relayed to responders (number)	Measures the number of incidents detected on CCTV that were relayed to responders for action. All incidents detected by the two CCTV monitoring centres that require a response must be relayed to the relevant department, i.e. crime, traffic, by-law, fire, other.
6. Strengthen partnerships for safer communities	6.A New auxiliary law enforcement officers recruited and trained (number)	Measures the number of new auxiliary law enforcement officers recruited and trained in terms of the City's Auxiliary Law Enforcement Policy. 'Auxiliary' is defined as a person contracted to the City on a voluntary basis who, while on duty, has the full status of being a peace officer in terms of section 334 of the Criminal Procedure Act 51 of 1977.
	6.B Client satisfaction survey for neighbourhood watch programme (%)	Measures the percentage of client satisfaction achieved, judging by a survey after every community engagement, in respect of the main deliverables of the neighbourhood watch support programme i.e. (a) crime prevention training, (b) patrol and crime prevention equipment issued, (c) guidance provided in respect of Department of Policy Oversight and Community Safety accreditation, and (d) guidance provided in respect of crime prevention initiatives.
<b>PRIORITY: HOUSING</b>		
7. Increased supply of affordable, well-located homes	7.A Well-located land parcels released to the private sector for affordable housing (number)	Measures the number of well-located land parcels released to the private sector. 'Land parcel' refers to a single and finite immovable asset with a measurable extent. A land parcel is confirmed as released through final award notification, allowing the developer to commence with development.

# APPENDIX B1: DEFINITIONS FOR 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN (CONTINUED)

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: HOUSING (CONTINUED)</b>		
7. Increased supply of affordable, well-located homes	7.B Human settlements top structures (houses) provided per housing programme (number)	<p>Measures the number of human settlements top structures provided per housing programme. 'Top structures' are defined as any built structure providing shelter to a household in a human settlements development by means of any national housing programme, where the main source of funding is the Human Settlements Development Grant (HSDG) in terms of the Division of Revenue Act (DoRA).</p> <p>A 'human settlements opportunity' is incremental access to and/or delivery of:</p> <ul style="list-style-type: none"> <li>(a) subsidy housing (Breaking New Ground), which provides a minimum 40 m<sup>2</sup> house;</li> <li>(b) People's Housing Process (PHP), which is for beneficiaries who maximise their housing subsidy by building or organising the building of their homes themselves;</li> <li>(c) social housing, which is new rental units delivered by the City's social housing partners;</li> <li>(d) rental housing, which is community residential units (CRUs) or the upgrading and redevelopment of existing rental units and hostels; or</li> <li>(e) gap housing, which is a serviced site, or affordable units for sale.</li> </ul>
	7.C Formal-housing serviced sites provided (number)	<p>Measures the number of formal serviced sites provided. A 'serviced site' is defined as any property providing municipal services (road, water and sewerage) on an individual basis to a household, including high-density residential sites, as well as other non-residential sites relating to integrated human settlements developments. The main source of funding for serviced sites is the Urban Settlements Development Grant (USDG) and the Informal Settlements Upgrading Partnership Grant (ISUPG) in terms of the Division of Revenue Act (DoRA).</p>
	7.D Land acquired for human settlements in priority housing development areas (hectares)	<p>Measures the hectares of land acquired for human settlements in priority housing development areas. 'Priority housing development areas' (PHDAs) are announced by the Minister of Human Settlements in terms of section 7(3) of the Housing Development Agency Act, 2008, read with section 3.2 of the Housing Act. These are areas intended to advance human settlements spatial transformation and consolidation by ensuring that the delivery of housing is used to restructure and revitalise towns and cities, strengthen the livelihood prospects of households, and overcome apartheid spatial patterns by fostering integrated urban forms. PHDAs are underpinned by the principles of the National Development Plan and the Integrated Urban Development Framework. Emphasis is placed on synchronising national housing programmes in PHDAs. Therefore, this refers to land acquired in an agreement between at least two parties, for which transfer documents have been registered at the deeds office. The land is understood to have been acquired with the intention of advancing human settlements development in the PHDAs, subject to the subsequent completion of any outstanding planning and approval processes. Proxy measure for C88 HS1.13.</p>

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: HOUSING (CONTINUED)</b>		
7. Increased supply of affordable, well-located homes	7.E Transfer of ownership to new beneficiaries (number)	Measures the registration of title in the name of the new beneficiary, confirmed by the issuing of a title deed.
8. Safer, better-quality homes in informal settlements and backyards over time	8.A Informal-settlement sites serviced (number)	Measures incremental access to better services as part of an informal settlements upgrading programme. The incremental upgrade of informal areas provides a serviced site, with or without tenure, in accordance with the informal settlements upgrading programme as part of the National Housing Code. A 'serviced site' is defined as a site provided with road, water and sewerage services.
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES</b>		
9. Healthy and sustainable environment	9.A Proportion of biodiversity priority areas protected (%)	Measures the proportion of land identified through municipal strategic environmental assessments and environmental management frameworks (EMFs) as biodiversity priority areas, which are protected through some or other mechanism, including stewardship agreements, conventional protected areas and biodiversity agreements. Proxy measure for C88 ENV4.21.
	9.B Biodiversity priority areas remaining (hectares)	Measures the hectares of biodiversity priority areas remaining. Proportional share of land cover categories aggregated to relate to biodiversity priority areas in the municipality, relative to the total municipal area. It indicates the presence of available habitats across a municipal area important for maintaining ecological processes, expressed in hectares. A decline over time indicates a loss of land supporting biodiversity and local ecosystems. Biodiversity priority areas, or areas of high biodiversity importance, are defined by the South African National Biodiversity Institute (2016) as "natural or semi-natural areas in the landscape or seascape that are important for conserving a representative sample of ecosystems and species, for maintaining ecological processes, or for the provision of ecosystem services". Proxy measure for C88 ENV4.11.
	9.C Severe/moderate dehydration in children under the age of five presenting with diarrhoea at City health facilities (%)	Measures the percentage of children under five years presenting with diarrhoea to City health facilities and have severe or moderate dehydration.

## APPENDIX B1: DEFINITIONS FOR 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN (CONTINUED)

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES (CONTINUED)</b>		
10. Clean and healthy waterways and beaches	10.A Coastline with protection measures in place (%)	<p>Measures the percentage of coastline with protection measures in place in the municipal area. 'Protection measures' refer to measures for protecting the coastal environment from activities that may detrimentally affect it, and include periodic maintenance. Protection measures are divided into the four main categories of (a) hard (influencing coastal processes to stop or reduce the rate of coastal erosion); (b) soft (aiming to dissipate wave energy by mirroring natural forces and maintaining the natural topography of the coast); (c) combined (combining hard and soft solutions to improve efficiency and provide an environmentally and economically acceptable coastal protection system); and (d) innovative (exploiting advancements in specific areas of engineering associated with erosion control, namely geotextiles and beach drainage). Therefore, protection measures also include managed retreat.</p> <p>Proxy measure for C88 ENV5.11.</p>
	10.B Days in a year that vleis are open (%)	Measures the percentage of days in a year that the Rietvlei, Zeekoevlei and Zandvlei are open to intermediate contact recreation, excluding dredging and other management activities.
11. Quality and safe parks and recreation facilities	11.A Recreation and Parks open space mowed according to annual mowing plan (%)	Measures the implementation of the Recreation and Parks Department's public open space mowing activities during the year compared to what was planned on the mowing schedule. The minimum mowing cycle targets, and ability to meet these targets, are directly linked to the budget available for the project. Reflects the frequency of actual mowing versus what was planned on the mowing schedule, measured as a percentage. Actual implementation is compared to what was planned by using minimum mowing standards as articulated in the Department's documented standards per facility type.
<b>PRIORITY: TRANSPORT</b>		
12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12.A Passengers transported for each scheduled kilometre travelled by MyCiTi buses (ratio)	Measures the ratio of passengers transported for each kilometre scheduled on MyCiTi buses. The aim is to have more passengers travelling per kilometre scheduled. The purpose of the indicator is to measure efficiency improvements in the usage of MyCiTi buses.
	12.B Passenger journeys travelled on MyCiTi buses (number)	<p>Measures the number of passenger journeys travelled on MyCiTi buses.</p> <p>An efficient, integrated transport system is partly measured by the increase in passenger journeys undertaken.</p> <p>A passenger journey is calculated from the first boarding of a bus at a feeder stop or main station to the last exit from a bus at a feeder stop or main station, including any transfers between buses (single journey).</p>







IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: TRANSPORT (CONTINUED)</b>		
12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12.C Road corridors on which traffic signal timing plans are updated (number)	Measures the number of road corridors on which the traffic signal timing plans were updated to account for the impact of changing traffic volumes and patterns on the manner in which traffic signals are coordinated.
13. Safe and quality roads for pedestrians, cyclists and vehicles	13.A Surfaced road resurfaced (kilometres)	Measures the kilometres of surfaced roads resurfaced.
	13.B Potholes reported per 10 km of network	Measures the number of potholes reported to the City, normalised for the length of the surfaced road network. A municipal road network typically consists of residential roads and roads in built-up areas that allow for the movement of goods, services and people. These roads within the municipality's jurisdiction are the responsibility of the municipality to maintain. A 'pothole' is a depression in a road surface, usually asphalt pavement, where traffic has removed broken pieces of the pavement. It is usually the result of water in the underlying soil structure and traffic passing over the affected area. This indicator does not count multiple reports of the same pothole at the same location. Potholes are counted once, and only once they have been reported, signalling the public's awareness of and dissatisfaction with road quality. Proxy measure for C88 TR6.2.
<b>PRIORITY: A RESILIENT CITY</b>		
14. A resilient city	14.A Public safety awareness and preparedness sessions held in communities (number)	Measures the number of public and safety awareness sessions with communities based on various risk profiles, community based risk assessments and social media contact.
	14.B New Disaster Risk Management volunteers/ auxiliary staff members appointed (number)	Measures the number of Disaster Risk Management volunteers/auxiliary members recruited from the community. After appropriate training, they are officially appointed as volunteers.
	14.C Stormwater cleaning budget spend (%)	Measures the percentage budget spent on stormwater cleaning.
<b>PRIORITY: A MORE SPATIALLY INTEGRATED AND INCLUSIVE CITY</b>		
15. A more spatially integrated and inclusive city	15.A Local neighbourhood plans approved for mixed-use development (number)	Measures the number of local neighbourhood plans approved by Council. A local neighbourhood plan could be a spatial development framework or a precinct plan that identifies areas for, among others, mixed-use development, which would facilitate integration of land uses.

## APPENDIX B1: DEFINITIONS FOR 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CITY OF CAPE TOWN (CONTINUED)

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>		
16. A capable and collaborative city government	16.A Community satisfaction Citywide survey (score 1-5)	<p>Measures the community satisfaction score in a Citywide survey. A statistically valid, scientifically defensible score from the annual survey of residents' perceptions of the overall performance of the City's safety and security services.</p> <p>The measure is given against a non-symmetrical Likert scale, where 1 is poor, 2 is fair, 3 is good, 4 is very good, and 5 is excellent. The objective is to improve the current customer satisfaction level.</p>
	16.B Opinion of independent rating agency	<p>Measures the opinion of the independent rating agency, being a report that reflects the creditworthiness of an institution to repay long-term and short-term liabilities. Credit ratings provide an analysis of the City's key financial data and are performed by an independent agency to assess the City's ability to meet its short and long-term financial obligations.</p> <p>Indicator standard/norm/benchmark: The highest rating possible for local government, which is also subject to the country's sovereign rating.</p>
	16.C Opinion of the Auditor-General	<p>Measures the opinion of the Auditor-General. The indicator measures good governance and accounting practices, which are evaluated and considered by the Auditor-General in determining their opinion. Based on their audit, the Auditor-General may issue one of various opinions, which the City will then be measured against.</p>
	16.D Spend of capital budget (%) (NKPI)	<p>Measures the extent to which capital has been spent as per the original budget during the financial year. Capital expenditure is all costs incurred by the City to acquire, upgrade and renew physical assets such as property, plant, buildings, technology or equipment. Proxy measure for NKPI per MSA Regulation 10(c). Proxy measure for C88 FM1.11.</p>
	16.E Cash/cost coverage ratio (NKPI)	<p>Measures the cash/cost coverage ratio. The ratio indicates the ability to meet at least monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue during that month (excluding unspent conditional grants). Proxy measure for NKPI per MSA Regulation 10(g).</p>

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT (CONTINUED)</b>		
16. A capable and collaborative city government	16.F Net debtors to annual income (NKPI)	Measures net debtors to annual income. Net current debtors are a measurement of the net amounts due to the City that are realistically expected to be recovered. Proxy measure for NKPI per MSA Regulation 10(g).
	16.G Debt (total borrowings) to total operating revenue (NKPI)	Measures debt to total operating revenue. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. Proxy measure for NKPI per MSA Regulation 10(g).
	16.H Kilometres of fibre infrastructure for broadband connectivity installed (kilometres)	Measures the kilometres of fibre cable installed by the City, excluding all private-sector infrastructure networks.
	16.I Employees from the employment equity (EE) designated groups at the three highest levels of management (%) (NKPI)	Measures the percentage of employees from EE target (designated) groups employed at the three highest levels of management, in compliance with the City's approved EE Plan and the EE Act. Management level 1 = City Manager and executive directors; level 2 = portfolio managers and directors; level 3 = managers. Proxy measure for NKPI per MSA Regulation 10(e).
	16.J Budget spent on implementation of Workplace Skills Plan (%)	Measures the percentage of the budget spent on the Workplace Skills Plan, which outlines the planned education, training and development interventions for the City. Its purpose is to formally plan and allocate budget for appropriate training interventions that will address the needs arising out of local government's skills sector plan, the IDP, the individual departmental staffing strategies, individual employees' personal development plans, and the EE Plan. Proxy measure for NKPI per MSA Regulation 10(f).
	16.K Adherence to service requests (%)	Measures the percentage of adherence to Citywide service requests within the approved timeframes based on external notifications. 'External notifications' are requests for services from the public.

# APPENDIX C: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CTICC

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET				
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE		
		TARGET	ACTUAL	STATUS
<b>PRIORITY: ECONOMIC GROWTH</b>				
<b>1. INCREASED JOBS AND INVESTMENT IN THE CAPE TOWN ECONOMY</b>	International events hosted (number)	4	5	
	<b>Reason for variance:</b> The number of events increased as the lockdown regulations were eased and eventually removed during the year.			
	<b>Remedial action:</b> Maintain the momentum			
	Total events hosted (number)	135	226	
	<b>Reason for variance:</b> The number of events increased as the lockdown regulations were eased and eventually removed during the year.			
	<b>Remedial action:</b> Maintain the momentum			
	Annual total salary cost spent on training of permanent and temporary staff (%)	4%	4,5%	
<b>Reason for variance:</b> Training spend exceeded budget, as compliance and minimum municipal training was conducted during the year.				
<b>Remedial action:</b> Maintain the momentum				
Minimum aggregate score for all CTICC internal departments and external suppliers (%)	75%	87%		
<b>Reason for variance:</b> Excellent customer service delivered by staff for events held.				
<b>Remedial action:</b> Maintain the momentum				
Broad-based black economic empowerment (B-BBEE) spend (%)	60%	88%		
<b>Reason for variance:</b> The supply chain management processes proved effective in procuring from BEE suppliers.				
<b>Remedial action:</b> Maintain the momentum				
Students employed (number)	1	1		
<b>Reason for variance:</b> On target				
<b>Remedial action:</b> None				
Graduates employed (number)	1	2		
<b>Reason for variance:</b> An additional graduate was employed in the final quarter.				
<b>Remedial action:</b> Maintain the momentum				

2022/23 ANNUAL PERFORMANCE		
TARGET	ACTUAL	STATUS
27	33	↑
<b>Reason for variance:</b> Because of the easing of restrictions, business levels picked up faster than anticipated.		
<b>Remedial action:</b> Maintain the momentum		
295	427	↑
<b>Reason for variance:</b> Because of the easing of restrictions, business levels picked up faster than anticipated.		
<b>Remedial action:</b> Maintain the momentum		
3,5%	5,3%	↑
<b>Reason for variance:</b> Training spend exceeded budget because of new recruit and targeted training done during the year.		
<b>Remedial action:</b> Maintain the momentum		
75%	85%	↑
<b>Reason for variance:</b> Good customer service delivered by staff during events.		
<b>Remedial action:</b> Maintain the momentum		
70%	89,5%	↑
<b>Reason for variance:</b> Tenders issued to service providers with good BEE ratings led to a good percentage achieved.		
<b>Remedial action:</b> Maintain the momentum		
4	13	↑
<b>Reason for variance:</b> Additional students employed in the food and beverage department.		
<b>Remedial action:</b> Maintain the momentum		
4	4	●
<b>Reason for variance:</b> On target		
<b>Remedial action:</b> None		

# APPENDIX C: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CTICC (CONTINUED)

		WELL ABOVE	ABOVE	ON TARGET	BELOW	WELL BELOW	AT: ANNUAL TARGET	
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			STATUS			
		TARGET	ACTUAL					
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>								
<b>16. A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>	Employees from the employment equity (EE) designated groups at the three highest levels of management (%)	75%	86%					
	<b>Reason for variance:</b> Filling of vacancies, non-EE resignations, and current staff retained.							
	<b>Remedial action:</b> Maintain the momentum							
	Maintain five-star tourism grading through effective management of quality service delivery	Achieve five-star rating from Tourism Grading Council	Achieved five-star rating from Tourism Grading Council					
	<b>Reason for variance:</b> On target							
	<b>Remedial action:</b> None							
	Reduction in operating loss from the prior year (%)	New	New					New
	<b>Reason for variance:</b> n/a							
	<b>Remedial action:</b> n/a							
Achievement of annual budgeted operating profit (%)	100%	37%						
<b>Reason for variance:</b> An improvement in the trading environment as lockdown regulations were eased and eventually removed during the year resulted in more and larger events. This led to higher revenues, coupled with good cost savings achieved for the year.								
<b>Remedial action:</b> Maintain the momentum								
*This indicator will only be measured again from 2024/25.								
Total number of capital projects for the year completed or committed (%)	90%	92%						
<b>Reason for variance:</b> Maintain the momentum								
<b>Remedial action:</b> None								
Opinion of the Auditor-General	Clean audit	Clean audit						
<b>Reason for variance:</b> On target								
<b>Remedial action:</b> None								
Cash/cost coverage ratio	1:1	4,6:1						
<b>Reason for variance:</b> Higher revenue earned, cost savings achieved, and client deposits received for contracted events.								
<b>Remedial action:</b> Maintain the momentum								
Net debtors to annual income	5,0%	1,7%						
<b>Reason for variance:</b> Higher revenue for the period resulted in a lower percentage, as debtors are in line with forecast figures.								
<b>Remedial action:</b> Maintain the momentum								

2022/23 ANNUAL PERFORMANCE		
TARGET	ACTUAL	STATUS
75%	81,5%	↑
<b>Reason for variance:</b> Staff employed from the designated group had a positive impact on the target.		
<b>Remedial action:</b> Maintain the momentum		
Achieve five-star rating from Tourism Grading Council	Achieved five-star rating from Tourism Grading Council	●
<b>Reason for variance:</b> On target		
<b>Remedial action:</b> None		
55,2%	100%	↑
<b>Reason for variance:</b> Because of the easing of restrictions, business levels picked up faster than anticipated.		
<b>Remedial action:</b> Maintain the momentum		
n/a*	n/a*	-
<b>Reason for variance:</b> n/a		
<b>Remedial action:</b> n/a		
90%	100%	↑
<b>Reason for variance:</b> All planned projects started in the course of the year.		
<b>Remedial action:</b> Maintain the momentum		
Clean audit	Clean audit	●
<b>Reason for variance:</b> On target		
<b>Remedial action:</b> None		
2,8:1	5,4:1	↑
<b>Reason for variance:</b> The increase in business levels are resulting in higher revenues, and consequently, higher cash reserves.		
<b>Remedial action:</b> Maintain the momentum		
3%	2,9%	↑
<b>Reason for variance:</b> Higher revenues resulted in the debtors representing a smaller percentage.		
<b>Remedial action:</b> Maintain the momentum		



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## APPENDIX C1: DEFINITIONS FOR 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CTICC

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: ECONOMIC GROWTH</b>		
1. Increased jobs and investment in the Cape Town economy	International events hosted (number)	Measures the total number of international events hosted at the CTICC. 'International events' are events where the majority of delegates are from outside South Africa, the minimum number of delegates is 40, and the minimum duration of the event is two days (one night).
	Total events hosted (number)	Measures the total number of events hosted at the CTICC.
	Annual total salary cost spent on training of permanent and temporary staff (%)	Measures the percentage of annual total salary cost spent on training of permanent and temporary staff.
	Minimum aggregate score for all CTICC internal departments and external suppliers (%)	CTICC staff's customer centricity and service excellence to external clients are measured independently and recorded as a percentage.
	Broad-based black economic empowerment (B-BBEE) spend (%)	Measures the percentage expenditure with B-BBEE suppliers in terms of the B-BBEE Act. 'B-BBEE suppliers' are those who have a valid B-BBEE rating certificate, or an affidavit in the case of exempt micro-enterprises and qualifying small enterprises.
	Students employed (number)	Measures the number of students employed at the CTICC in the financial year.
	Graduates employed (number)	Measures the number of graduates employed at the CTICC in the financial year.
	Employees from the employment equity (EE) designated groups at the three highest levels of management (%)	Measures the percentage of people from EE target groups employed at the three highest levels of management, in compliance with the CTICC's approved EE Plan. Level 1 = executive directors; level 2 = senior managers; level 3 = managers.
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>		
16. A capable and collaborative city government	Maintain five-star tourism grading through effective management of quality service delivery	Measures the standard of the CTICC as a world-class venue, which is defined as a five-star grading by South African Tourism.
	Reduction in operating loss from the prior year (%)	Measures the operating loss achieved. 'Operating loss' is defined as earnings before interest, taxation, depreciation and amortisation (EBITDA).
	Achievement of annual budgeted operating profit (%)	Measures the operating profit achieved. 'Operating profit' is defined as earnings before interest, taxation, depreciation and amortisation (EBITDA).
	Total number of capital projects for the year completed or committed (%)	Measures the total number of capital projects completed or committed for the financial year, as a percentage.

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT (CONTINUED)</b>		
16. A capable and collaborative city government	Opinion of the Auditor-General	<p>Measures good governance and accounting practices, as evaluated and considered by the Auditor-General in determining their opinion.</p> <p>An unqualified audit opinion is where the auditor, having completed the audit, has no reservation as to the fairness of presentation of the financial statements and their conformity with general recognised accounting practice. This is also referred to as a 'clean audit'.</p> <p>Alternatively, the auditor could issue a qualified audit opinion either in whole or in part over the financial statements if they have not been prepared in accordance with general recognised accounting practice, or the auditor could not audit one or more areas of the financial statements.</p>
	Cash/cost coverage ratio	The ratio indicates the ability to meet at least monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue during that month.
	Net debtors to annual income	Net current debtors are a measurement of the net amounts due to the CTICC that are realistically expected to be recovered. 'Net debtors' are gross debtors less impairments and refunds.

# APPENDIX D: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CAPE TOWN STADIUM

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET					
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE			
		TARGET	ACTUAL	STATUS	
<b>PRIORITY: ECONOMIC GROWTH</b>					
<b>1. INCREASED JOBS AND INVESTMENT IN THE CAPE TOWN ECONOMY</b>	Spectator attendance at the DHL Stadium (number)	57 000	226 996		
	<b>Reason for variance:</b> Due to the lifting of the national disaster regulations pertaining to Covid-19, the stadium was able to host events at a greater capacity.				
	<b>Remedial action:</b> Maintain the momentum				
	Events hosted (number)	135	145		
<b>Reason for variance:</b> Maintain the momentum					
<b>Remedial action:</b> None					
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES</b>					
<b>11. QUALITY AND SAFE PARKS AND RECREATION FACILITIES</b>	Compliance with approved repairs and maintenance programme (%)	100%	100%		
	<b>Reason for variance:</b> On target				
	<b>Remedial action:</b> None				
	Compliance with the Occupational Health and Safety Act 85 of 1993 and its regulations (%)	100%	100%		
<b>Reason for variance:</b> On target					
<b>Remedial action:</b> None					
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>					
<b>16. A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>	Achievement of own projected revenue (%)	90%	118,97%		
	<b>Reason for variance:</b> Additional income earned as a result of government's lifting of the Covid-19 restrictions on the number of spectators allowed at events.				
	<b>Remedial action:</b> Maintain the momentum				
	Opinion of the Auditor-General	Clean audit	Clean audit		
<b>Reason for variance:</b> On target					
<b>Remedial action:</b> None					

2022/23 ANNUAL PERFORMANCE			
TARGET	ACTUAL	STATUS	
650 000	993 627	↑	
<b>Reason for variance:</b> The anchor tenant, WP Rugby, secured additional rugby fixtures (semi)finals of the United Rugby Championship. The stadium hosted both the standard HSBC Cape Town Sevens as well as the Rugby World Cup Sevens in 2022/23. In addition, non-bowl events (including film shoots) were secured, which had a shorter lead time with a higher spectator ratio.			
<b>Remedial action:</b> Ongoing attraction and retention of events with a higher spectator yield.			
110	135	↑	
<b>Reason for variance:</b> Stadium operations ensured the acquisition of additional events.			
<b>Remedial action:</b> Ongoing industry engagement			
100%	100%	●	
<b>Reason for variance:</b> On target			
<b>Remedial action:</b> None			
100%	100%	●	
<b>Reason for variance:</b> On target			
<b>Remedial action:</b> None			
90%	88,03%	↓	
<b>Reason for variance:</b> Temporary sliding scale model implemented with WP Rugby.			
<b>Remedial action:</b> The temporary sliding scale is only for a period of three years which will eventually result in Cape Town Stadium yielding revenue in terms of the Anchor Tenant Agreement (ATA). Cape Town Stadium is also looking at other revenue streams which will generate fixed income for the entity, as there is risk of volatility with the event revenue.			
Clean audit	Clean audit	●	
<b>Reason for variance:</b> On target			
<b>Remedial action:</b> None			

# APPENDIX D: 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT - CAPE TOWN STADIUM (CONTINUED)

WELL ABOVE  ABOVE  ON TARGET  BELOW  WELL BELOW  AT: ANNUAL TARGET				
IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	2021/22 ANNUAL PERFORMANCE		
		TARGET	ACTUAL	STATUS
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT (CONTINUED)</b>				
<b>16. A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>	Budget spent on implementation of the Workplace Skills Plan (%)	New	New	
		<b>Reason for variance:</b> n/a		
	<b>Remedial action:</b> n/a			
	Employees from the employment equity (EE) designated groups at the three highest levels of management (%)	80%	50%	
<b>Reason for variance:</b> Top three levels of management are not fully representative as per the set target, as historical appointments are still occupying positions at these levels.				
<b>Remedial action:</b> As vacancies at these levels occur, the employment strategy will focus on reaching the 80% target.				

2022/23 ANNUAL PERFORMANCE			
TARGET	ACTUAL	STATUS	
90%	98%	↑	
<b>Reason for variance:</b> Maintain the momentum <b>Remedial action:</b> None			
80%	40%	↓	
<b>Reason for variance:</b> Three of the five positions at the top three levels of management were seconded positions dating back to 2011. The other two were filled by EE incumbents.  <b>Remedial action:</b> The intention is to appoint employees from the designated group in the top structure as and when these positions become available, to reach the target of 80%.			

## APPENDIX D1: DEFINITIONS FOR 2022/23 ANNUAL PERFORMANCE MANAGEMENT REPORT – CAPE TOWN STADIUM

IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: ECONOMIC GROWTH</b>		
1. Increased jobs and investment in the Cape Town economy	Spectator attendance at the DHL Stadium (number)	'Spectators' are the total number of spectators (persons) who attend any event held at or by Cape Town Stadium, whether live, in hybrid format or virtually. These events include, but are not limited to bowl events, non-bowl events, and film and still shoots.
	Events hosted (number)	'Events' are the total number of optimal planned, organised and safely executed social events, exhibitions, conferences and/or occasions, which are categorised as bowl events (use of pitch and seating tiers), non-bowl events and shoots.
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES</b>		
11. Quality and safe parks and recreation facilities	Compliance with approved repairs and maintenance programme (%)	Measures the approved repairs and maintenance programme as per the service delivery agreement between Cape Town Stadium (RF) SOC and the City. 'Repairs and maintenance' include preventive, corrective, reactive and emergency maintenance, as well as repairs of damages after events, and refer to all facilities and equipment at Cape Town Stadium. All repairs and maintenance are funded from the operating budget. The indicator measures whether the output was achieved as per the plan.
	Compliance with Occupational Health and Safety Act 85 of 1993 and its regulations (%)	Measures compliance against the Occupational Health and Safety Act regulations on event and non-event days as well as contractors at Cape Town Stadium.
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>		
16. A capable and collaborative city government	Achievement of own projected revenue (%)	Measures the achievement of the annual projected revenue as per the latest approved budget.
	Opinion of the Auditor-General	Measures good governance and accounting practices, as evaluated and considered by the Auditor-General in determining their opinion. An unqualified audit opinion is where the auditor, having completed the audit, has no reservation as to the fairness of presentation of the financial statements and their conformity with general recognised accounting practice. This is referred to as a 'clean audit'.  Alternatively, the auditor could issue a qualified audit opinion either in whole or in part over the financial statements if they have not been prepared in accordance with general recognised accounting practice, or the auditor could not audit one or more areas of the financial statements. Future audit opinions will cover the audit of predetermined objectives.



IDP OBJECTIVE	KEY PERFORMANCE INDICATOR	INDICATOR DEFINITION
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>		
16. A capable and collaborative city government	Budget spent on implementation of the Workplace Skills Plan (%)	The Workplace Skills Plan outlines the planned education, training and development interventions for Cape Town Stadium. Its purpose is to formally plan and allocate budget for appropriate training interventions that will address the needs arising out of local government's skills sector plan, the IDP, the individual departmental staffing strategies, individual employees' personal development plans and the EE Plan. Proxy measure for NKPI.
	Employees from the employment equity (EE) designated groups at the three highest levels of management (%)	Measures the percentage of people from EE target groups employed at the three highest levels of management, in compliance with the approved EE Plan of Cape Town Stadium (RF). Each directorate contributes to the corporate achievement of targets and goals by implementing its own objectives of quantitative and qualitative goal-setting.

# 8.3 OTHER APPENDICES



# APPENDIX E: LIST OF ABBREVIATIONS USED IN THIS REPORT

<b>AFD</b>	Agence Française de Développement	<b>HDI</b>	Human Development Index
<b>APAC</b>	Audit and Performance Audit Committee	<b>ICASA</b>	Independent Communications Authority of South Africa
<b>ASB</b>	Accounting Standards Board	<b>IDP</b>	Integrated Development Plan
<b>BRT</b>	bus rapid transit	<b>IFC</b>	International Finance Corporation
<b>CAR</b>	core applications refresh (programme)	<b>IRT</b>	integrated rapid transit
<b>CBD</b>	central business district	<b>ISUPG</b>	Informal Settlements Upgrading Partnership Grant
<b>CCTV</b>	closed-circuit television	<b>JSE</b>	Johannesburg Stock Exchange
<b>CFF</b>	Climate Finance Facility	<b>KCT</b>	Khayelitsha Community Trust
<b>CID(s)</b>	city improvement district(s)	<b>King IV</b>	2016 King Report on Corporate Governance for South Africa
<b>CMTF</b>	Cape Metropolitan Transport Fund	<b>LEAP</b>	Law Enforcement Advancement Programme4
<b>COID</b>	compensation for occupational injuries and diseases	<b>LED</b>	light-emitting diode
<b>Covid-19</b>	coronavirus disease of 2019	<b>Mayco</b>	Mayoral Committee
<b>CPI</b>	consumer price index	<b>MFMA</b>	Local Government: Municipal Finance Management Act
<b>CRR</b>	capital replacement reserve	<b>Mℓ/d</b>	million litres per day
<b>CTICC</b>	Cape Town International Convention Centre Company SOC Limited (RF)	<b>MPAC</b>	Municipal Public Accounts Committee
<b>CTS</b>	Cape Town Stadium	<b>mSCOA</b>	Municipal Standard Chart of Accounts
<b>DB</b>	defined-benefit (scheme)	<b>MSDF</b>	Municipal Spatial Development Framework
<b>DBSA</b>	Development Bank of Southern Africa	<b>NMT</b>	non-motorised transport
<b>DC</b>	defined-contribution (scheme)	<b>NW</b>	neighbourhood watch
<b>DCT</b>	Disaster Coordinating Team	<b>PAYE</b>	pay-as-you-earn
<b>DMRE</b>	Department of Mineral Resources and Energy	<b>PECC</b>	Public Emergency Communication Centre
<b>DMTN</b>	domestic medium-term note	<b>POCS</b>	(Department of) Police Oversight and Community Safety
<b>DRMC</b>	Disaster Risk Management Centre	<b>PPE</b>	property, plant and equipment
<b>EMS</b>	Emergency Medical Service	<b>PRASA</b>	Passenger Rail Agency of South Africa
<b>EPIC</b>	Emergency Policing and Incident Command (system)	<b>Province</b>	Western Cape Provincial Government
<b>FNWS</b>	Faure New Water Scheme	<b>PTI</b>	public transport interchange
<b>GRAP</b>	Generally Recognised Accounting Practice		

<b>PV</b>	photovoltaic	<b>SSEG</b>	small-scale embedded generation
<b>SALA</b>	South African Local Authorities (Pension Fund)	<b>TB</b>	tuberculosis
<b>SALGA</b>	South African Local Government Association	<b>tCO<sub>2</sub>e</b>	tons of carbon dioxide-equivalent
<b>SAPS</b>	South African Police Service	<b>UIF</b>	Unemployment Insurance Fund
<b>SCM</b>	supply chain management	<b>USDG</b>	Urban Settlements Development Grant
<b>SDGs</b>	sustainable development goals	<b>VAT</b>	value-added tax
<b>SEZ</b>	special economic zone	<b>VOC</b>	vehicle operating company
<b>SOA</b>	scheme of arrangement	<b>WWTP</b>	wastewater treatment plant
<b>SPV</b>	special-purpose vehicle		

# APPENDIX F: MFMA CIRCULAR 63 APPENDICES

In line with MFMA Circular 63, the City is required to make the following appendices available as part of its annual reporting:

## FUNCTIONS OF MUNICIPALITY

Information about the functions of the municipality is available on page 127 of the City's financial statements.

## WARD REPORTING AND WARD INFORMATION

Information about all City wards is available at [https://www.capetown.gov.za/Work\\_and\\_business/Meet-the-city/City-Council/Wards](https://www.capetown.gov.za/Work_and_business/Meet-the-city/City-Council/Wards)

## SUPPLY CHAIN MANAGEMENT ISSUES

### 1. Legality of SCM Regulations

The decision by the courts to declare the Preferential Procurement Regulations to be invalid had caused ambiguity within the national government procurement environment. However, the City continued complying with the SCM Policy to prevent disruptions in service delivery. The City has made proposals to National Treasury regarding improvements which can be made to legislation to make the SCM processes less onerous and simple.

### 2. Irregular Expenditure

Irregular expenditure is caused as result of non-compliance with legislation. Irregular expenditure does not necessarily mean that there has been fraud and corruption, nor that the City has not received value for money. The City however prides itself on good governance, and as such is implementing many corrective actions to reduce and eliminate irregular expenditure.

## RECOMMENDATIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

The full recommendations of the Audit and Performance Audit Committee can be found on page 136.

## LARGE PROJECTS, AGREEMENTS AND PARTNERSHIPS

Information relating to the City's largest projects, agreements and contracts as well as public-private partnerships is available at [www.capetown.gov.za](http://www.capetown.gov.za).

## SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable. The City is not aware of any backlogs at schools and clinics. For more information, see the annual performance management report on page 314.

## SERVICE BACKLOGS WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR PROVIDING THE SERVICE

Not applicable. The City is not aware of any service backlogs experienced by the community where another sphere of government is responsible for providing the service.

## RECIPIENTS OF LOANS AND GRANTS

Details of all recipients of City's loans and grants are available on page 292.

## CITY'S BY-LAWS

Information about all City By-laws is available at [https://www.capetown.gov.za/Work\\_and\\_business/Meet-the-city/City-Council/Policies-by-laws-and-publications](https://www.capetown.gov.za/Work_and_business/Meet-the-city/City-Council/Policies-by-laws-and-publications)

## CITY'S WEBSITE WHERE INFORMATION IS AVAILABLE

The City's website where information is available is <https://www.capetown.gov.za>

## MUNICIPAL OVERSIGHT COMMITTEES

Information about the City's committees is available at [https://www.capetown.gov.za/Work and business/Meet-the-city/City-Council/The-City-Council#Heading2](https://www.capetown.gov.za/Work%20and%20business/Meet-the-city/City-Council/The-City-Council#Heading2)

## INFORMATION PERTAINING TO THE IMPLEMENTATION OF AN EFFECTIVE PERFORMANCE MANAGEMENT SYSTEM AND ORGANISATIONAL DEVELOPMENT

Information is reflected in the City's Integrated Development Plan (IDP) at [IDP\\_2022-2027.pdf \(capetown.gov.za\)](#)

## REVENUE COLLECTION BY VOTES AND BY SOURCE BASED ON PRIOR YEAR AND CURRENT YEAR ACTUAL COLLECTIONS

Information is reflected in the City's financial statements on page 171.

## CAPITAL EXPENDITURE (A) ON NEW ASSETS PROGRAMME AND (B) ON UPGRADE/RENEWAL PROGRAMMES

Information is reflected in the City's published budget at [https://www.capetown.gov.za/Work and business/Meet-the-city/The-City-budget/the-citys-budget-2022-2023](https://www.capetown.gov.za/Work%20and%20business/Meet-the-city/The-City-budget/the-citys-budget-2022-2023)

# APPENDIX G: ANNUAL REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE TO THE COUNCIL OF THE CITY OF CAPE TOWN FOR THE YEAR ENDED 30 JUNE 2023

## AUTHORITY, ACCOUNTABILITY AND REPORTING

The Municipal Public Accounts Committee (MPAC) was established as an oversight committee in terms of section 79 of the Municipal Structures Act, Act 117 of 1998 and, in terms of section 32(2) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA), is authorised to investigate the recoverability of unauthorised, irregular, fruitless and wasteful expenditure of the City as instructed by Council or the City Manager.

MPAC is directed by Council or the City Manager and is authorised to investigate any matter referred. This includes instructing other councillors, management and other employees of Council to be present at meetings and have access to any information they require from any councillor or employee. MPAC ensures that all existing City internal alternative dispute resolution processes have been exhausted before proceeding with investigations.

On 27 January 2022 Council approved the appointment of the current MPAC, and changes to the committee were approved at various subsequent Council meetings. On 27 July 2023 Council approved MPAC's revised Terms of Reference. MPAC is also governed by the City's System of Delegations.

MPAC has no executive powers, but their findings and recommendations are reported to Council. Reports from the various MPAC Task Teams are considered at the MPAC meetings and a report, containing recommendations, is submitted to Council for final decision-making. The immediate reporting line of MPAC is to Council, via the Speaker. Where necessary, follow-up is performed via the outstanding matters schedule to determine if action has been taken to implement recommendations.

Quarterly reporting on MPAC's activities, as per the Annual Oversight Work Plan, was presented to Council for the four quarters. MPAC hereby presents its annual report for the financial year ended 30 June 2023, which is a cumulative activity statement for the 2022/23 financial year.

## MEMBERSHIP AND MEETING ATTENDANCE

Eleven (11) ordinary meetings and one (1) special meeting were held:

- i. 19 July 2022
- ii. 2 August 2022
- iii. 13 September 2022
- iv. 11 October 2022
- v. 8 November 2022
- vi. 27 January 2023
- vii. 3 February 2023 (special meeting)
- viii. 28 February 2023
- ix. 14 March 2023
- x. 11 April 2023
- xi. 9 May 2023
- xii. 13 June 2023

The members' attendance at the ordinary and special meetings are set out in the table below:

Representatives from Forensic Services, Internal Audit, Combined Assurance and Governance, Legal Services, the Office of the Speaker and the Office of the City Manager were present at MPAC meetings. Representative from the Auditor-General of South Africa (AGSA) attends when required.

To facilitate MPAC investigations, 89 Task Team meetings were held during the financial year to consider items referred to MPAC by Council or the City Manager. During some of the Task Team meetings more than one matter was dealt with, while other incidents warranted multiple Task Team meetings to finally conclude and recommend the way forward.



MPAC MEMBERS	MEMBERSHIP DURATION	PRESENT	APOLOGY	ABSENT
Cllr Adams (Chairperson) (CMC)	1 July 2022 to 30 June 2023	92%	8%	-
Cllr van Zyl Deputy Chairperson (DA)	1 July 2022 to 30 June 2023	100%	-	-
Cllr Southgate (DA)	1 July 2022 to 30 June 2023	100%	-	-
Cllr Witbooi (DA)	1 July 2022 to 30 June 2023	83%	17%	-
Cllr N Rheeder (DA)	1 July 2022 to 31 March 2023	78%	22%	-
Cllr Moses (DA)	1 July 2022 to 30 June 2023	75%	25%	-
Ald B Watkyns (DA)	1 July 2022 to 30 June 2023	50%	50%	-
Ald J van der Merwe (DA)	1 July 2022 to 30 June 2023	100%	-	-
Cllr S Booysen (DA)	26 April 2023 to 30 June 2023	100%	-	-
Cllr Majingo (ANC)	1 July 2022 to 30 June 2023	100%	-	-
Cllr Phakade (ANC)	1 July 2022 to 30 June 2023	75%	17%	8%
Cllr Botha-Rossouw (FF+)	1 July 2022 to 30 June 2023	75%	25%	-
Cllr Ntshuntshe (EFF)	1 July 2022 to 30 June 2023	50%	50%	-
Cllr Little (GOOD)	1 July 2022 to 30 June 2023	92%	8%	-

*Present:* Member was present at the meeting  
*Apology:* Leave of absence was granted by the Chief Whip in terms of Part 4 Delegation 1(1) of the Council's System of Delegations  
*Absent:* No leave of absence was granted by the Chief Whip in terms of Part 4 Delegation 1(1) of the Council's System of Delegations

## RESPONSIBILITY

MPAC's Annual Oversight Work Plan defines its activities for the year to ensure that it complies with its responsibilities arising from its mandate, delegations and Terms of Reference. The following activities were completed in the execution of its assigned functions and responsibilities:

## OVERSIGHT PROCESS

The 2021/22 Annual Reports for the City of Cape Town and its municipal entities were separately tabled at Council on 26 January 2023. MPAC considered the 2021/22 Annual Reports and raised issues of concern to be addressed by the Executive Management of the City of Cape Town and its municipal entities. MPAC engaged with the City Manager, Executive Management Team as well as the CEOs of the City's Municipal Entities, on 3 February 2023.

After considering the responses to the questions, on 14 March 2023 MPAC recommended that Council adopt the oversight report and approve the annual reports without reservation. This was completed within the legislated timeframes and the oversight report was approved by Council on 29 March 2023.

## REPORTING

- ✓ The following reports, as per the Annual Oversight Work Plan, were tabled at Council:
- ✓ 2021/22 Annual Oversight Report
- ✓ MPAC's Annual Report for the year ended 30 June 2022
- ✓ Quarterly Report of the Municipal Public Accounts Committee as at 30 September 2022
- ✓ Quarterly Report of the Municipal Public Accounts Committee as at 31 December 2023
- ✓ Quarterly Report of the Municipal Public Accounts Committee as at 31 March 2023
- ✓ Quarterly Report of the Municipal Public Accounts Committee as at 30 June 2023
- ✓ Outcome of the 2021/22 Performance Assessment Conducted for MPAC
- ✓ A total of 75 MPAC investigations amounting to R321 491 437,95 (of which R6 287 168,23 was fruitless and wasteful expenditure and
- ✓ As at 30 June, 2023, a total of 56 MPAC matters, referred for investigation to MPAC in terms of section 32 of the MFMA, are in progress, being finalised or were finalised after year-end by the MPAC Task Teams.

## TRAINING AND CAPACITY BUILDING

NO.	EVENT DATE	EVENT DESCRIPTION
1.	7 July 2022	South African Local Government Association / National Treasury MPAC Refresher Training
2.	20 September 2022	<ul style="list-style-type: none"> <li>✓ Legal matters</li> <li>✓ Municipal Structures Amendment Act, Act 3 of 2021</li> <li>✓ MPAC Terms of Reference Review</li> <li>✓ MPAC Report Template Review</li> </ul>
3.	11 October 2022	Corporate Project Programme Portfolio Management Presentation
4.	27 January 2023	MPAC Refresher Training in respect of the MPAC Oversight Process
5.	27 January 2023	AGSA Overview on the Audit Outcomes
6.	5 May 2023	Accounting Standards Board (ASB): Generally Recognised Accounting Practice (GRAP) update
7.	11 May 2023	SCM Workshop: A New Dawn

## CONCLUSION

Thank you to the relevant Councillors and officials, especially the Executive Committee Support and Internal Audit, for managing the quantity of work produced by MPAC.

MPAC remains grateful for the advice received from the representatives from the City Manager's Office and the Office of the Speaker. MPAC is constantly working to increase accountability in the City of Cape Town and we regard these contributions as very important to the overall wellness of the City's financial future.

A total of 11 ordinary meetings and one special meeting, as well as 89 Task Team meetings were held during the 2022/23 financial year.

During the year under review many investigations have resulted in the recovery of funds from those responsible for the abuse of public funds. It is the intention of MPAC to ensure that good and honest governance remains the hallmark of the City of Cape Town.

It is vital to note that MPAC has no executive powers, but the findings and recommendations are reported to Council. Reports from the MPAC Task Teams are considered at the MPAC meetings and a report, containing recommendations, is submitted to Council for final decision-making.

### **MPAC Chairperson**

*Councillor Yagyah Adams*



TO  
GET  
HER.

# APPENDIX H: 2023 INTEGRATED GOVERNANCE REPORT

## INTRODUCTION

Integration and alignment of reporting processes play a critical role in improving corporate governance. The King IV Report on Corporate Governance for South Africa, 2016 (King IV) highlights the importance of integrated thinking and integrated reporting in the execution of corporate governance. Integrated thinking actively considers the relationships between an organisation's various operational and business functions, and the capital/resources (financial, manufactured, intellectual, human, social and relational, and natural) the organisation uses or affects. Integrated reporting, a process founded on integrated thinking, relates to a report about value creation issued periodically. In the spirit of King IV and to enhance the City's integrated reporting processes, an integrated governance report is compiled each year and forms part of the City's integrated annual report.

The integration of reporting processes by the different levels of assurance providers within the City (i.e. line management, specialised functions, independent internal assurance providers (IAPs) and external assurance providers) is embedded through the combined assurance process which aims to, among others, promote effective assurance coverage of the significant organisational risks and material matters, i.e. financial and regulatory, etc. The City aims to achieve corporate governance through the implementation of its approved Combined Assurance Model, its Assurance Governance Framework (AGF) and the related Combined Assurance methodologies. This means that all the City's assurance providers should collaborate and coordinate their work to avoid duplication of assurance efforts and lessen the assurance burden. The effective implementation of combined assurance assists the City in the decision-making processes by management to achieve its vision of being a city of hope.

To enhance good governance, the City has made strides in fostering collaboration between the different levels of

assurance providers. Key collaborative processes and outputs included, inter alia, the Integrated Combined Assurance Plan (ICAP), Integrated Combined Assurance Report (ICAR), the Combined Assurance Forum and quarterly meetings with the independent internal assurance providers (IAPs) and the Auditor-General of South Africa (AGSA).

## KING IV

The adoption of King IV by Council (item C 03/12/17) re-affirms the City's commitment to continued good corporate governance, ethical leadership, its values, and fair and transparent operational procedures and reporting. King IV introduced a municipal supplement to provide high-level guidance and direction on how the King IV code should be interpreted and applied by municipalities. In keeping with the principles of the King IV report, the supplement is primarily aimed at the governing body (defined as Council in the King IV local government supplement), it being the focal point of corporate governance within the organisation. Good governance is essential to ensure the success of the municipality and to protect and advance interests of those whom it serves. In addition, it enhances the functioning of leadership structures and provides arrangements that enable the Council to govern the municipality to meet its objectives.

King IV follows a principle-and-outcome based approach to good governance. This means that each outcome is linked to specific principles, which are underwritten by a set of practices.

In total, 17 principles are listed in the King IV report but only 16 principles are applicable to the City, as principle 17 relates to institutional investors only. Figure 1 depicts the King IV governance outcomes and summary of the linked principle.

Figure 1: King IV governance outcomes



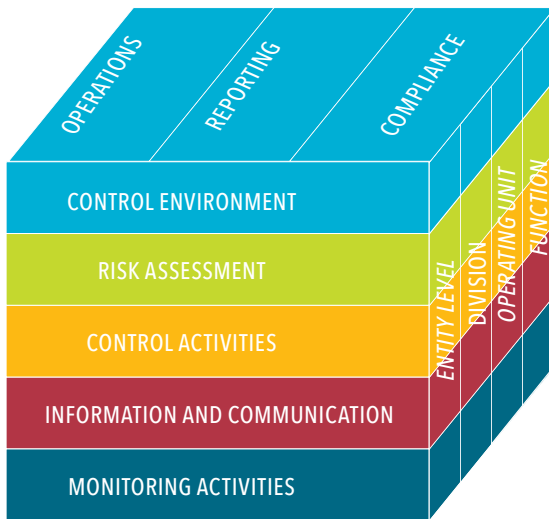
## MAKING GOVERNANCE AN ENABLER FOR IMPROVED AND SUSTAINABLE SERVICE DELIVERY

Per King IV, governance is defined as effective and ethical leadership aimed towards achieving ethical culture, good performance, effective control and legitimacy. One of the ways the City aims to achieve good governance is through the implementation of the organisational AGF and the Combined Assurance Model depicted therein. The AGF defines the

principles reflecting the City's governance arrangements by means of the delegation and assignment of appropriate levels of authority and responsibility to the various role players in the assurance value chain.

Good governance ensures that sound decisions are made at the right time about the right things, based upon a good understanding of the exposure to risks and the assurance that the information upon which the decisions taken are reliable. Good governance also assists management in making informed assessments of the City's governance and supports the value creation process in improving service delivery.

Figure 2: COSO five components



## COMMITTEE OF SPONSORING ORGANISATION OF THE TREADWAY COMMISSION

Internationally, the Committee of Sponsoring Organisation of the Treadway Commission (COSO) 2013 Framework is one of the most widely used internal control frameworks and provides leading practice guidance for establishing effective governance procedures and internal controls. The 2013 COSO Framework outlines 17 principles and provides 77 supporting focus areas within each of the five foundational components of internal control namely: control environment, risk assessment, control activities, information and communication, and monitoring activities as depicted in figure 2 above.

## MUNICIPAL FINANCIAL MANAGEMENT ACT 56 OF 2003

Municipal Finance Management Act (MFMA) section 62(1)(c)(i) requires the City Manager to ensure that the City has and maintains an effective, efficient and transparent systems of financial and risk management, and internal control. To promote accountability as well as to create a positive control environment, line management is responsible for the maintenance of an effective system of internal controls, which contributes to improved and sustainable service delivery. Line management is required to complete an Annual Accountability and Responsibility Return, which outlines decisions taken by them in complying with requirements of section 78 of the MFMA for the applicable financial year.

## GOVERNANCE STRUCTURES

The role of the City's different oversight/governance committees regarding combined assurance is described below:

- ✓ **COUNCIL AND COUNCIL COMMITTEES** – As elected public representatives, members and committees of Council are accountable to the public. Therefore, Council takes an interest in combined assurance to the extent necessary to obtain reasonable assurance that risk governance is properly integrated with the City's business activities and culture. This enables risk and opportunities to be considered during strategic planning and implementation to achieve the organisational objectives as detailed in the Integrated Development Plan (IDP), and to promote effective service delivery.
- ✓ **INDEPENDENT OVERSIGHT ADVISORY COMMITTEES** – These committees provide the City's political leadership and administrative management with assurance and advice on the City's internal controls, risk management and governance matters.
- ✓ **INTERNAL ADVISORY COMMITTEES** – These committees provide the administrative management with assurance and advice on the City's internal controls, risk management and governance matters.

In line with legislative requirements, the City has established key governance committees such as the Audit and Performance Audit Committee (APAC), the Risk Management Committee (Riskco) and the Municipal Public Accounts Committee (MPAC), all of which are mandated with oversight functions relating to ensuring good corporate and ethical governance. Further details on the establishment and functioning of these committees are provided in the City's integrated annual report under the section labelled "Governance structures".

## ETHICAL GOVERNANCE

The first two principles of King IV deal with ethical governance, which includes ethical leadership and ethical culture. The City has an Ethics Code aligned to the Municipal Systems Act (including the Municipal Staff Members Code of Conduct included therein), the provisions of regulations 46 and 47 of the Municipal Supply Chain Regulations, the City values as well as the King IV principles. The code defines the City's objectives and corresponding principles of good conduct. Continuous communication, regular awareness campaigns and training sessions are conducted regarding ethics awareness. In addition, the City Manager issued

directives requiring all City employees to acknowledge their Municipal Systems Act Employee Code of Conduct on a yearly basis. The City has an in-house Ethics function under the Forensic Services (FS) Department, mandated to drive the process of protecting, nurturing and enhancing the ethical culture of the organisation.

## COMBATING FRAUD AND CORRUPTION

In line with principle 3 of King IV to be a responsible corporate citizen, the City remains steadfast in its commitment to help combat fraud and corruption within the City's metropolitan areas and to promote a culture of ethics in local government. The City continues to show zero tolerance for fraud, corruption and other criminal activities, maladministration and/or negligence. The FS Department is responsible to provide support and contribute to combating fraud, corruption, unethical behaviour and related activities and, in so doing, enhances good corporate and ethical governance. Opportunities for people to perpetrate acts of fraud, corruption and unethical behaviour continue to be minimised through proactive anti-fraud and corruption initiatives. Staff and members of the public can report suspected fraudulent activities via email to [CCT@thehotline.co.za](mailto:CCT@thehotline.co.za) or [fraud.hotline@capetown.gov.za](mailto:fraud.hotline@capetown.gov.za), via the fraud hotline (0800 323 130) or visit the FS offices on third floor, 44 Wale Street. An independent service provider manages a full-time fraud hotline, which is available 24 hours a day, seven days a week in English, Afrikaans or isiXhosa, to internal and external City stakeholders to report any irregularities and suspicious or unethical behaviour.

The authority to institute forensic investigations in the City's administration vests with the City Manager who is delegated by the Council System of Delegations. The FS Department reports the outcome of investigations to the City Manager as the custodian of the delegation. Furthermore, FS reports administratively to the City Manager and reports functionally to APAC as a governance oversight committee to ensure the independence and objectivity of their operations.

## CONSEQUENCE MANAGEMENT

The City is committed to improved governance, and in doing so, is taking steps to enhance employee and management accountability and responsibility by means of the institution of the effective consequence management processes which incorporates components to encourage its employees to be innovative, perform their duties honestly, carefully, responsibly and ethically. Consequence management in the City is twofold, namely positive reinforcements and remedial actions and reprimands. Positive consequence management includes recognising and rewarding individuals

who demonstrate integrity, uphold the values set by the City and contribute to operational enhancements through innovative ideas. Consequence management processes also identify, address, monitor and report on deliberate action(s) or inaction(s) by City officials that result in, inter alia, non-compliance, financial misconduct, unethical, malicious or other improper conduct, illegal acts, negligence, etc. It promotes accountability and allows corrective measures to be applied through the formalisation of consequence management processes. Effective consequence management will assist management in identifying and addressing failure to provide quality and sustainable service delivery and add value and improve operational performance, thus making good governance a key enabler to service excellence.

## RISK GOVERNANCE

As indicated above, section 62 of the MFMA establishes that the City Manager is responsible for risk management, which includes accountability at an administrative level. The Riskco has been constituted by the City Manager to provide the appropriate forum and governance structure to assist the City Manager and management in discharging their risk management responsibilities. Furthermore, principle 11 of King IV specifies that risk be governed in a manner that supports the organisation in setting and achieving strategic objectives. The King IV municipal supplement highlights that Council must assume responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the organisation.

Effective risk management assists in the achievement of the City's objectives per the IDP. The City follows an integrated approach to risk management, as encapsulated in the approved AGF. IRM is the citywide application of risk management, which includes risk identification, assessment, management, monitoring and reporting thereon. The IRM function facilitates the embedding of risk management in the organisation. To enhance risk governance, IRM standard operating procedures (SOP) are regularly reviewed. The most recent update following a review was approved by the City Manager on 27 January 2023. The SOP provides the necessary information and guidance to enable the implementation and the maintenance of effective risk management systems and supports the implementation of the AGF.

The chairperson of Riskco compiles and submits an annual Riskco report, which will be included in the City's integrated annual report. The report highlights the purpose of Riskco, its activities undertaken during the year and the key strategic risks, controls and actions identified and reported.

It should be noted, post the outcomes of the business improvement process within the Office of the City Manager (OCM), IRM and BCM functions merged with the Resilience Department within the Future Planning and Resilience Directorate as at 1 July 2023 to form the Risk and Resilience Department. This structural shift ensures that the risk functions and associated products and processes can be more effectively utilised and integrated within the strategy, planning and knowledge management space that the Future Planning and Resilience Directorate covers.

## COMBINED ASSURANCE

Practices of principle 15 of King IV require that a combined assurance model be applied to provide a coordinated approach to all assurance activities. The implementation of the City's combined assurance programme not only takes into account principle 15 of King IV, but also the City's approved AGF and the related Combined Assurance methodologies.

Combined Assurance aims to improve the integration, coordination and alignment of assurance processes to reduce assurance and reporting fatigue and to improve the efficiency of governance, thus making it a key enabler for improved and sustainable service delivery.

The value-add proposition of combined assurance is to assist management in the achievement of its business objectives. The latter will be achieved through the optimisation of assurance and reporting coverage from the various levels of assurance (on the strategic risks facing the City). Through the embedding of combined assurance as a governance process, the City aims to achieve optimal coordination and collaboration between the identified assurance providers. This provides both management and oversight and/or governance structures such as Council, APAC and Executive Management Team (EMT) with a single, holistic view of the adequacy of assurance coverage across the City.

### *Embedding combined assurance*

Combined assurance effectively coordinates the efforts of management and other internal and external assurance providers, increases their collaboration and develops a shared and holistic view of the organisational risk profile. In embedding combined assurance, the following activities were completed during 2022/23 financial year:

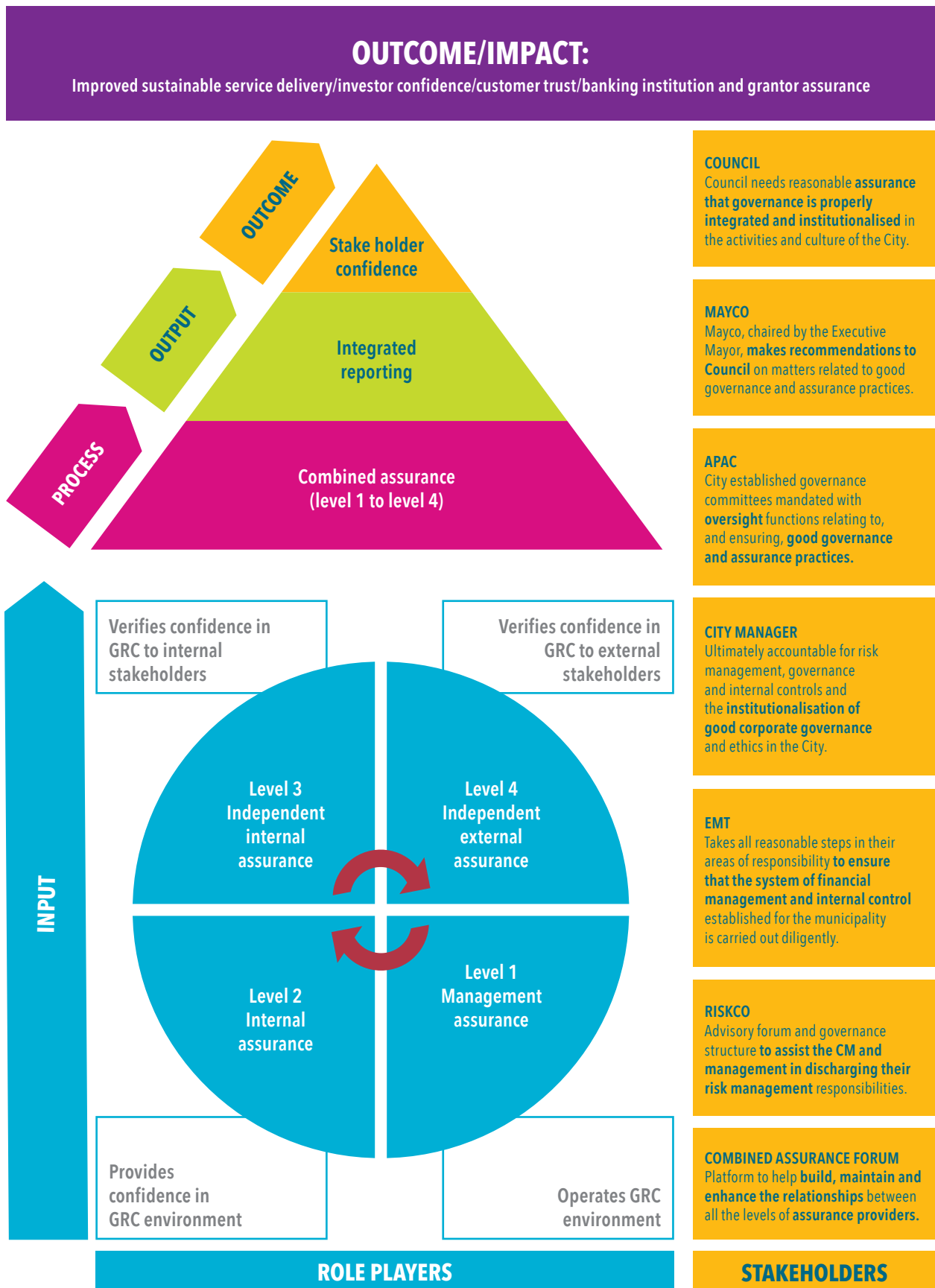
## 1. COMBINED ASSURANCE MODEL

The City's Combined Assurance Model as approved by Council on 26 January 2023 (item C 08/01/23) comprises the following four levels of assurance providers as depicted in figure 3, each with unique roles in ensuring good corporate and ethical governance practices:

- ✓ **ROLE OF LEVEL 1 ASSURANCE PROVIDERS:** The City's administrative leadership consists of the City Manager and EMT, who are appointed in terms of section 57 of the Municipal Systems Act, with EMT reporting directly to the City Manager. In terms of section 62 of the MFMA, the City Manager is ultimately accountable for risk management, governance and internal controls, and for the institutionalisation of good corporate governance and ethics at the City. Section 78 of the MFMA, in turn, states that each senior manager of a municipality, and each official of a municipality exercising financial management responsibilities, must take all reasonable steps in their areas of responsibility to ensure that the system of financial management and internal control established for the municipality is carried out diligently. In setting the tone from the top, the City Manager promotes accountability, integrity and other ethical values to create a positive control environment and instil a culture of ethics. Level 1 assurance providers identify strategic and operational risks affecting the City through the risk management process.
- ✓ **ROLE OF LEVEL 2 ASSURANCE PROVIDERS:** These are the corporate specialised functions in the City that assist management with developing processes and controls to manage risks and issues; identify known and emerging risks; and monitor and report on risk and compliance matters in their respective areas of expertise. They also advise oversight bodies on the control environment and how it may be improved. The level 2 internal assurance providers consist of specialist and transversal functions who provide compliance monitoring and support services to the organisation. They also advise governance oversight bodies on the control environment, and improvements to the latter. The responsibilities of these functions vary based on the specific nature of their function.
- ✓ **ROLE OF LEVEL 3 ASSURANCE PROVIDERS:** These are independent IAPs, i.e. FS, Internal Audit (IA) and the Office of the City Ombudsman (OCO), each with their unique role and mandate to ensure and promote good and ethical corporate governance in the City by providing independent and objective assurance services



Figure 3: The City's combined assurance model



in line with legislation, professional standards and leading practices. It should be noted that the Ethics function within FS has a dual-functional role within the City insofar as it relates to investigations approved by the City Manager, which falls under the ambit of a level 3 assurance provider. The aforementioned independent IAPs provide assurance and confidence on the effectiveness of the control environment to internal stakeholders.

- ✓ **ROLE OF LEVEL 4 ASSURANCE PROVIDERS:** External assurance providers such as the AGSA and regulatory inspectors (e.g. National Treasury) are required to provide assurance in accordance with applicable legislation, guidelines, professional standards and industry norms and sector codes. They provide assurance and confidence on the effectiveness of the control environment to internal and external stakeholders.

## 2. COMBINED ASSURANCE FORUM

The forum is a platform intended to build, maintain and enhance the relationship between assurance providers as per the AGF. It was noted that there has been an increase in dialogue among members outside the forum stemming from the topics covered by the various presenters. In addition, during meetings and from communications received by the forum secretariat, attendees requested content from the presentations and contact information of presenters for further engagements post meetings. Five meetings (including a special AGSA audit outcomes meeting) were held during the 2022/23 financial year with various speakers (both internal and external) invited to present on current governance matters affecting the City. Table 1 reflects topics discussed at the forum for the period under review.

## 3. ASSURANCE GOVERNANCE FRAMEWORK

In the course of conducting daily business operations, the City is exposed to a variety of risks that are significant and require comprehensive controls and ongoing oversight. One of the ways to achieve the governance outcomes as described in King IV is through the implementation of the organisational AGF and the Combined Assurance Model depicted therein. The framework aims to embed good governance and combined assurance principles throughout the organisation and formalise the coordination and integration of existing assurance efforts to provide a cohesive and comprehensive view of assurance across the organisation.

## 4. COLLABORATIONS BETWEEN ASSURANCE PROVIDERS

In line with the principles of combined assurance, the IAPs regularly collaborate, interact and share information with each other and the organisation. Thus, to further embed combined assurance, CAG compiled an assurance provider interaction register reflecting collaborations between the different levels of assurance providers in the City in an effort to optimise assurance coverage reduce duplication of efforts and reduce client fatigue. The register does not record daily functional interactions between assurance providers. Interactions reported are depicted in table 2 on page 388.

### *Outcomes from internal assurance provider engagements*

Principle 15 of King IV states that the governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and external reporting. Per the AGF and the Combined Assurance Model, governance and assurance efforts are undertaken during the year by the various levels of assurance providers. Below is a summary of the key assurance efforts undertaken during 2022/23 financial year and the related outcomes (where applicable):

### *Level 1: Line management*

Line management, as level 1 assurance providers, play a critical role in the effective functioning of the combined assurance. As a collective, the administrative leadership of the City, which include the City Manager and senior management, are responsible and accountable for risk mitigation and maintaining an effective system of internal control. In keeping with their daily operational responsibilities and to improve the control environment, line management has applied the following measures to provide assurance towards mitigating the City's strategic risks and improving internal control processes:

### *STRATEGIC, EXECUTIVE AND DEPARTMENTAL RISK REGISTERS*

In line with the City's integrated risk management approach, significant risks, opportunities and controls are identified and reported by line management. The top strategic risks facing the City are recorded on the CCTCRR, which is signed-off by the City Manager as the owner of the City's strategic risk register. Relevant executive director(s) are assigned accountability for the implementation of action plans to

Table 1: Combined Assurance forum presentations

TOPIC	ASSURANCE PROVIDER
How are we dealing with load-shedding?	Energy (level 2)
Constitutional court judgement in respect of the Preferential Procurement Policy Framework Act (PPPFA) and the preferential procurement regulations 2017	Legal Services (level 2)
The role of FS within the City enhances corporate governance and combined assurance, ensuring that the City combats fraud, corruption and related activities	FS (level 3)
Philippi Opportunity Area (POA) – Catalytic Precinct	Urban Catalytic and Investment (level 2)
The Role of the Financial Misconduct Board (FMB)	Chairperson: FMB (level 2)
Metro South East (MSE) Corridor (previously known as IRT Phase 2A)	Transport Infrastructure Implementation (level 2)
Congestion Relief Programme	Transport Infrastructure Planning and Development (level 2)
AGSA audit outcomes	AGSA (Level-4)
City of Cape Town Rail Study	Transport Planning and Network Management (level 2)
Annual Integrated Governance Report (IGR)	CAG (level 2)
Business continuity management	BCM (level 2)
Project preparation	Corporate Project Programme and Portfolio Management (C3PM) (level 2)
Audit outcomes and management audit action plan	Treasury Services (level 2)
ICAP for 2023/24 financial year (forward looking)	CAG (level 2)
The Promotion of Access to Information Act 2 of 2000 (PAIA)	Legal Services (level 2)
City of Cape Town Annual Report	Organisational Performance Management (OPM) (level 2)
Bot Alpha	OPM (level 2)



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Table 2: Collaborations between assurance providers

NAME OF ASSURANCE PROVIDERS	PURPOSE OF THE MEETING/SUMMARY OF TOPIC
CAG and IRM	Reporting anomalies relating to the wording of risks and/or internal controls recorded on the City of Cape Town Corporate Risk Register (CCTCRR) based on outcomes from completion of combined assurance certificates, and discussing these with IRM to ensure adjustments are taken into consideration during the next CCTCRR update session.
FS and Employee Relations (ER)	Cooperation between ER and FS to ensure the timely implementation and finalisation of disciplinary matters, which stem from FS investigations.
CAG and various L2 assurance providers	CAG held engagements with assurance providers for completion of Annual Compliance to Laws and Regulation template and Integrated Combined Assurance Plan.
IA and AGSA	IA on request of the Core Application Review (CAR) Steering Committee met with AGSA regarding AGSA audit approach to CAR and the potential for additional assurance work.
FS, IA, Risk, Continuity and Ethics (RCE), <sup>1</sup> OCO and AGSA	Quarterly AGSA meeting to discuss assurance efforts and focus from AGSA.
IA, OCO, FS, RCE, CAG and AGSA	Meeting to discuss and obtain input to the Adjustment Audit Plan 2022/ 23.
IA, OCO, FS, RCE, CAG and AGSA	IA held various sessions to discuss and obtain input to the Strategic and Operational Audit Plan 2023/24.
FS and RCE	Meetings to discuss Transversal Fraud Risk Register.
FS and CIVOC	FS attended monthly Civil Oversight Committee (CIVOC) meetings to provide feedback on FS matters related to Safety and Security.
CAG, FS, IA, RCE, OCO and AGSA	Quarterly meeting with AGSA to discuss and share key assurance outcomes of assurance activities performed.
FS and National Prosecuting Authority (NPA)	Meeting with FS management and staff with NPA management to achieve greater cooperation on matters of mutual interest.
FS and Ethics	FS and Ethics Recommendation Committee meetings to ensure recommendations comply with City Manager's System of Council Delegations.
FS and AGSA	Various requests for information from the AGSA.
Ethics and HR	Collaborative efforts between Ethics and HR on the proactive efforts regarding employee qualification verification exercises and resultant actions/follow-ups.
IRM and C3PM	IRM is working with C3PM to enhance data analysis on project risks identified for reporting to IRM for incorporation into risk prompt processes.
Information Systems and Technology (IST), BCM, Disaster Risk Management (DRM) and Future Planning and Resilience Directorate	Ongoing collaboration efforts to strengthen synergies, determine interdependencies, and ensure alignment and common language where applicable.
IRM and Future Planning and Resilience Directorate	Meetings to discuss data breaches and protection of Personal Information Act (POPIA) related matters.
BCM and various stakeholders across the City	BCM facilitating collaborated monthly meetings to determine readiness for dealing with extended power outages.

<sup>1</sup> Effective 1 July 2023, the Risk, Continuity and Ethics Department is no longer a department, the IRM and BCM functions form part of the Risk and Resilience Department, and Ethics moved to the FS Department.

improve the effectiveness of controls mitigating these risks. The CCTCRR is updated at least twice per financial year due to the changing risk landscape, with the implementation of action plans being reviewed and monitored periodically. Executive risks, that could impact a directorate achieving its tactical objectives, are recorded on executive risk registers and are signed-off by the respective executive director, as the officials responsible for risk mitigation within their respective operational areas. Departmental risk registers are also completed, with risk mitigation focused on the risks at a departmental level that can impact a department achieving its operational objectives. The completion of City risk registers is facilitated by the IRM function within the Risk and Resilience Department.

#### *TRANSVERSAL RISK REGISTERS (TRR)*

Transversal risk registers consider risks that affect the ability of the City and line departments to meet its respective objectives, having an impact across the City (transversal) but mostly affects a specific category. The City currently has five transversal risk registers, which include the following categories: Staff Safety, Financial, Environmental, Information Technology and Fraud. These risk registers require oversight by specialist internal assurance providers (level 2). For the action plans recorded in transversal risk registers, an executive director is identified as the lead action owner to provide feedback on the action plans agreed upon. Transversal risk registers are updated at least twice per financial year with additional reviews of the implementation of action plans.

#### *ANNUAL ACCOUNTABILITY AND RESPONSIBILITY RETURNS*

Section 78 of the MFMA states that each senior manager of a municipality, and each official of a municipality exercising financial management responsibilities, must take all reasonable steps in their areas of responsibility to ensure that the system of financial management and internal control established for the municipality is carried out diligently. To promote accountability and integrity as well as to create a positive control environment, line management responsible for the maintenance of an effective system of internal controls, are required to complete an Annual Accountability and Responsibility Return, declaring compliance with requirements of, among others, section 78 of the MFMA for the financial year.

#### *Level 2: Specialised functions*

The relationship between the corporate specialised functions and the CAG function is key to enabling the embedding of

combined assurance in the City. Strengthened relationships lead to improved coordination of assurance efforts, thus avoiding duplication aimed at optimising assurance coverages across the City. One of the key contributions by the corporate specialised functions is the completion of level 2 combined assurance certificates, which are used in the compilation of the ICAP and ICAR. The combined assurance certificates for 2022/23 were signed-off by the level 2 assurance providers, confirming the perceived control effectiveness ratings of controls on the CCTCRR for which they are reflected as assurance providers.

#### *HOW THE CITY PROMOTED RESILIENCE THROUGH THE LOAD-SHEDDING CRISIS AND BEYOND*

With the challenges that load-shedding presents to the City in relation to continuous service delivery, the City has rapidly re-oriented the Pandemic Business Continuity Coordinating Committee (PBCCC) forum to coordinate the business continuity challenges experienced. The PBCCC was renamed to the City Business Continuity Coordinating Committee (CBCCC), with the first meeting held in December 2022. The CBCCC is chaired by the director of Risk and Resilience and is a structure that consist of directors or representatives from various departments. The committee continued to meet on a biweekly basis in order to assess the state of load-shedding, coordinate the integrated response including communications, commissioning of generators, securing fuel supply and ensuring a process of prioritisation of mitigation measures in order to sustain essential services.

The CBCCC will continue functioning with its existing structure in order to monitor and maintain the effectiveness of the City's load-shedding response, while also navigating continuation of service delivery through other anticipated shocks and stresses (including incidents of civil unrest and heatwaves). Core to functioning of this committee is the embedding of resilience practices of reflection, learning and adaptability and the work undertaken within the Risk and Business Continuity function to establish and test business continuity plans across the City.

The CBCCC retained its operational structure of distributed leadership, meaning the members took collective responsibility for developing recommendations in support of primarily Facilities Management. The committee oversaw the production of a range of advisories and directives, which were disseminated to the organisation.

In addition, during the 2022/23 financial year, the Risk and Resilience Department undertook monitoring and evaluation (M&E) of both the Resilience Strategy and the Climate Change Action Plan in order to monitor the implementation of these

strategies, which are foundational aspects of the City's IDP. Furthermore, the department continued to roll out training sessions for staff on Urban Resilience and integrating this with the City's Leadership Development Training Programme. The course covered the following:

- ✓ The definition of "resilience" and how this is contextualised within Urban Resilience;
- ✓ The prioritised shocks and stresses for Cape Town;
- ✓ How to map shocks and stresses spatially; and
- ✓ How to develop a resilience plan for a plausible shock.

### SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) department continues to oversee the procurement and provisioning of goods and services on behalf of the City. These responsibilities encompass a wide range of activities, such as the solicitation of construction projects, engagement of consultant services, the disposal of surplus assets, and the selection of contractors to support municipal service delivery. SCM is committed to ensuring that the City's supply chain processes are robust, sustainable, and transparent.

One significant initiative in this endeavour is the establishment of the Top 300 SCM forum. This forum was created with the primary objective of standardizing processes, ensuring that all members of the Bid Specification Committee/Bid Evaluation Committee have a consistent understanding of the implementation, interpretation, and application of the SCM policy and relevant regulations. By achieving this uniformity, the department aims to enhance the quality of reports presented to the Bid Adjudication Committee for approval.

As an assurance provider, SCM is dedicated in promoting good governance while facilitating efficient service delivery. The Top 300 SCM forum serves as a crucial tool for strengthening the internal control framework, thus ensuring compliance with the pertinent laws and regulations governing local government supply chain processes. Alongside other interventions implemented by the SCM department, the Top 300 SCM forum has proven to be highly effective in the City's pursuit of a clean audit outcome. This success is evident in the improved audit results over the past three fiscal years and the consistent increase in the achievement rate of our demand planning goals during the same period.

### LEGAL COMPLIANCE

King IV principle 13 states that the governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the municipality being ethical and a good corporate citizen. The City continues to coordinate efforts in assisting institutions by providing the required information. The South African Human Right Commission (SAHRC) and the Public Protector South Africa (PPSA) may request any organ of state to co-operate in mutual trust and good faith by supplying it with information in the exercise of their functions and responsibilities. The SAHRC and PPSA submit all enquiries / complaints received from members of the public to the City Manager. The City Manager has appointed a designated team within the Legal Services Department (Legal Services) as the nodal point to receive, investigate and prepare formal responses on behalf of the City in relation to enquiries / complaints against the City. As at 30 June 2023 the status of SAHRC and PPSA, matters were as follows:

#### A. SAHRC

A total of 107 enquiries/complaints for investigation were received and recorded since 1 April 2019, although it has investigated matters since 1 November 2016. Included in the 107 complaints is the 13 matters that were received over the course of the 2022/23 financial year. Of the 107 complaints, 37 matters were reported as closed by SAHRC, of which eight matters were closed during the financial year and the remaining 70 are currently active. Of the 70 active matters, 65 were internally investigated and have been completed with the outcomes formally submitted to SAHRC. The City awaits the SAHRC's further enquiry/response thereto. The five remaining matters are currently in progress and still being investigated by the City as per figure 4 depicted below.

#### B. PPSA

A total of 200 enquiries/complaints for investigation were received and recorded since 1 November 2016, of which 131 matters were reported as closed by PPSA. Included in the 200 complaints is the 19 new matters that were received over the course of the 2022/23 financial year. Of the 131 closed matters, 15 were closed during the 2022/23 financial year. The remaining 69 matters are still active with 60 matters internally investigated and completed with the outcomes formally submitted to PPSA. The City awaits the PPSA's further enquiry/response/feedback. The remaining nine matters are currently in progress and still being investigated by the City as depicted in figure 5 below.



Figure 4: SAHRC status of deliverables at 30 June 2023.

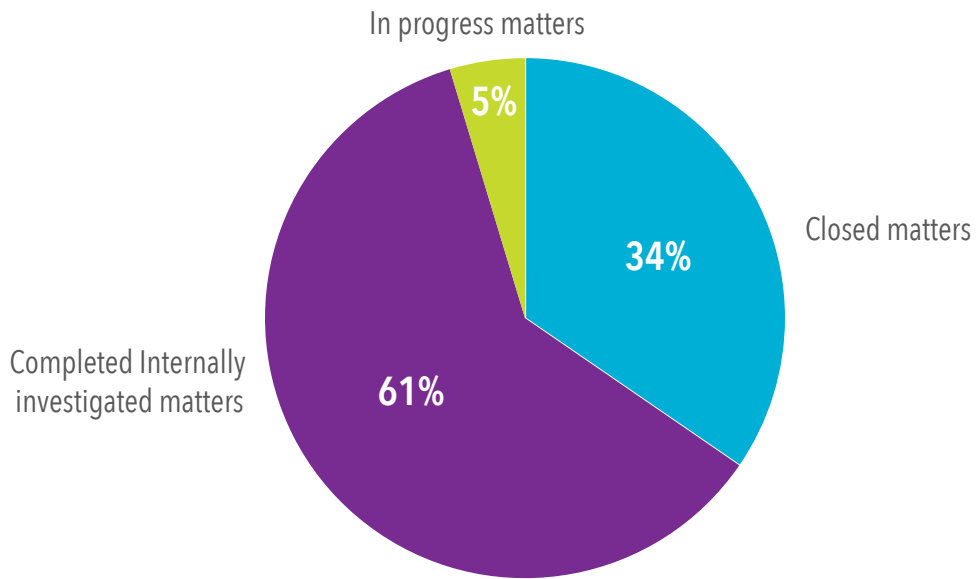
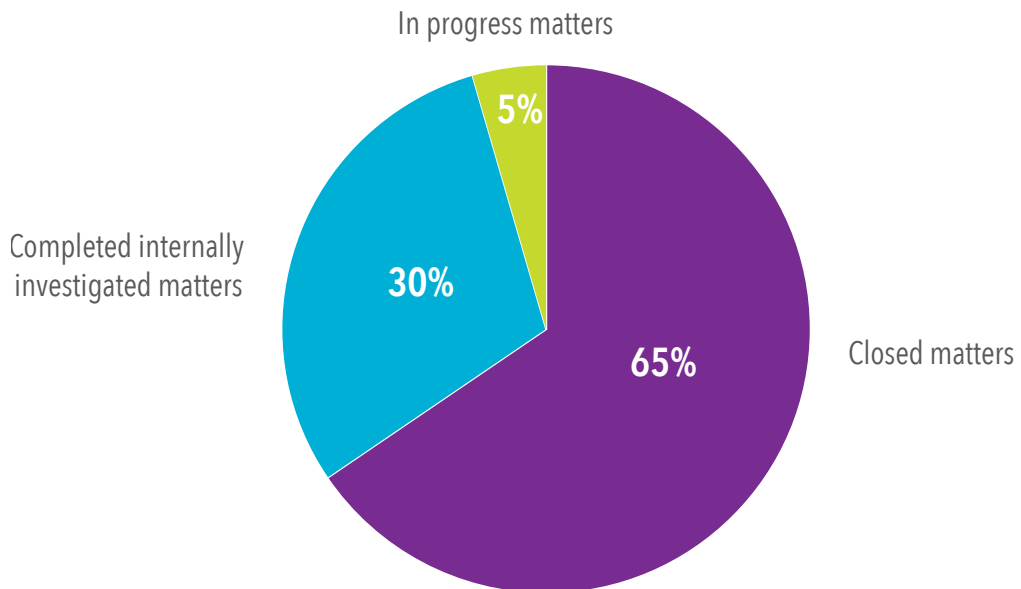


Figure 5: PPSA status of deliverables at 30 June 2023.



It should be noted since the establishment of the designated unit in Legal Services, no adverse findings have been made against the City following the SAHRC and PPSA investigations.

### COMBINED ASSURANCE AND GOVERNANCE

The Combined Assurance and Governance (CAG) function within the IA department is responsible for the execution of combined assurance responsibilities. This includes consolidating and reporting relevant information in order to provide a holistic and concise view of governance and combined assurance matters to key stakeholders.

Effective 2 August 2023, the CAG function as an organisational unit is no longer a department, thus forms part of IA Department and reports to the Chief Audit Executive (CAE).

## DEVELOPMENT OF INTERNAL CONTROL MODEL, FRAMEWORKS, APPLICATION GUIDANCE AND REPORTING

To enhance the internal control environment, the City has adopted the COSO Internal Control Model and is developing a related framework. The CFO, as the project sponsor, with support from the CAG function, is responsible for the project, which entails the adoption of an internal control model (which was approved by Council (item C08/01/23) on 26 January 2023), the development of a City-wide Internal Control Framework and the development of control self-assessment templates based on the COSO framework. The adoption of the internal control model will enable the City to achieve its desired outcome of ensuring effective risk management, reliable financial reporting, and compliance with applicable laws and regulations. The implementation of the internal control framework will also enhance transparency and accountability in the City's operations, ultimately contributing to the overall success and sustainability of the organisation. The City is committed to continually improving its governance practices to ensure effective and efficient operations.

## ASSURANCE GOVERNANCE FRAMEWORK

During the 2022/23 financial year, the AGF was revised, which reflects the approved combined assurance model, aims to achieve a coordinated approach to assurance activities,

by identifying all levels of assurance providers in the City; defining roles and responsibilities; formalising integration and alignment of assurance processes, and linking risk management activities to assurance activities. Ultimately, the AGF seeks to maximise risk and governance oversight, as well as optimise overall assurance coverage reporting to Council, oversight committees and other stakeholders. The AGF was approved by the City Manager for implementation on 29 June 2023.

## CONSEQUENCE MANAGEMENT REPORTING

The Consequence Management Register (CMR) report provides the City Manager with a holistic view of how consequence management (remedial responses/reprimands and positive reinforcement) is instituted within the City. Per the SOP and guidelines, the custodians of the CMR in the City must submit the required information to CAG on a quarterly basis for analysis and reporting to the City Manager. During the 2022/23 financial year, Bi-annual CMR reports were submitted to City Manager and Executive Directors respectively.

## ANNUAL ACCOUNTABILITY AND RESPONSIBILITY RETURNS

An analysis of the Annual Accountability and Responsibility Returns completed by line management for the 2022/23 financial year was performed by the CAG function to determine the level of compliance with the requirements of the legislation. The results were communicated to the respective Executive Directors for action, were required. A report reflecting summary and overall results was issued to the City Manager on 15 December 2022. There were no reportable issues of non-compliance reported.

## QUARTERLY COMPLIANCE WITH LAWS AND REGULATIONS REPORT

As part of local government, the City operates in a highly regulated environment and through continuous monitoring and reporting of compliance activities within its operations the City management has the ability to detect and prevent non-compliance and identify appropriate controls to mitigate the reoccurrence thereof. The Compliance with Laws and Regulations Report including the quarterly progress report on non-compliance identified was compiled and reported to EMT and APAC respectively.

## INTEGRATED COMBINED ASSURANCE PLAN

The CCTCRR was used as the primary source document for the compilation of the 2023/2024 ICAP. The ICAP reflects the perceived control effectiveness based on the interactions between IRM and EMT (level 1), and the confirmed corporate specialised functions mapped as the level 2 assurance provider for the existing controls documented on the CCTCRR. Furthermore, it reflects the planned assurance to be provided by the various independent IAPs as the level 3 assurance providers (i.e. IA, Ethics, FS and the OCO through the audit plan and/or authorised investigations. During 2022/23 financial year, the ICAP was compiled and reported to EMT and APAC respectively.

## INTEGRATED COMBINED ASSURANCE REPORT

Whilst the ICAP is forward-looking assessing the planned assurance coverage for 2023/24, the ICAR is backward looking. It provides management and the governance oversight structures such as Council, the APAC and the RiskCo with a single, holistic view of the reported assurance coverage provided across the City and the effectiveness of the control environment. The details of the ICAR is covered under the "Monitoring of the City's Control Environment" section of this report.

### INTEGRATED RISK MANAGEMENT

IRM's core mandate is to facilitate the required risk management processes to enable line management to more effectively manage risks in their respective areas of operations to achieve the organisational objectives.

In 2022/23:

127 risk registers, including the CCTCRR, transversal, executive and tactical risk registers were completed and signed off across the City.

## CATEGORY MATRIX

The risk and contributing factor category matrix (depicted in table 3 below) is based on the strategic and departmental risks. The purpose of this matrix is to establish which of the 18 contributing factor categories have the greatest impact on the 12 risk categories.

Risks are categorised and consolidated so that overarching areas are highlighted. These highlighted areas may not have an impact individually, but could collectively have an adverse effect on the achievement of the organisational objectives. A large number of identified risks or contributing factors do not necessarily point to a problem, it should be taken as an indication of proactive identification and appropriate management of risks. The top five risk categories based on the number of contributing factors are service delivery, operations, compliance, financial, safety, and security. The top five contributing factors are resources, processes and procedures, external stakeholders, health and safety, and compliance. For more information, related to risk management efforts of the organisation, refer to the Annual Report of RiskCo.

### BUSINESS CONTINUITY MANAGEMENT

Business Continuity Management (BCM) is a holistic process that identifies potential threats to an organisation, and the impact on business operations if these threats are realised. The process provides a framework for building organisational resilience and an effective response that safeguards the interests of the organisation's key stakeholders, reputation, brand and value-creating processes. The BCM Unit continuously engages with line management regarding the implementation of business continuity through a seven-step model comprising:

- ✓ business impact analysis (BIA);
- ✓ a threat profile;
- ✓ a BCM response plan;
- ✓ a business continuity plan (BCP);
- ✓ testing of plans;
- ✓ monitoring and review; and
- ✓ reporting.

The BCM function continues to embed business continuity management in the City through annual BCM targets. The team adopts a client centric approach and scope changes are accommodated to focus on value adding BCM related projects. The aforementioned, may thus result in an increase in the scope of work post issuing of engagement letters.

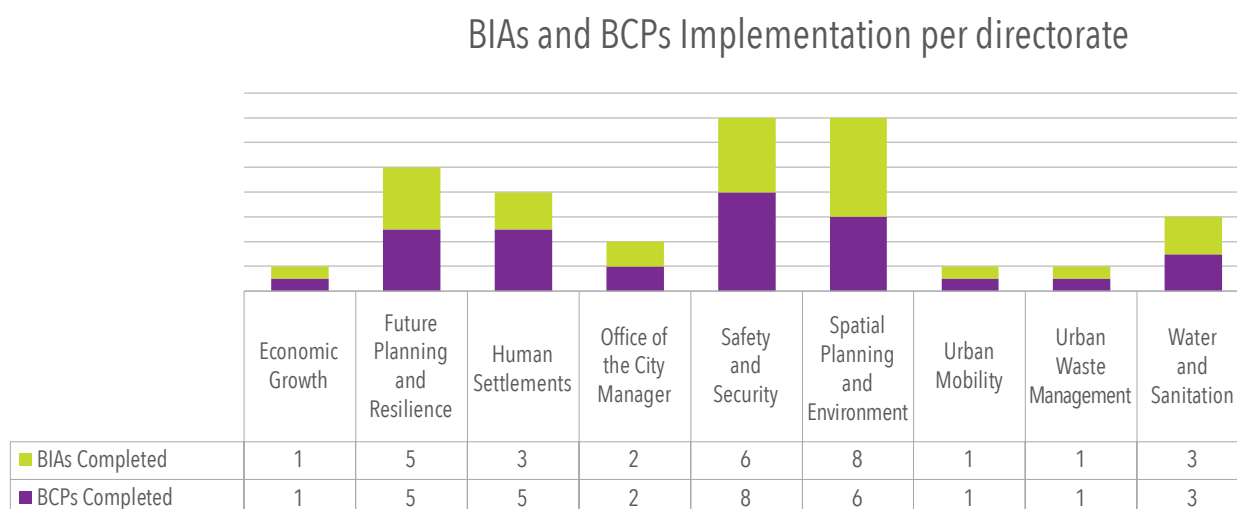
During the 2022/23 financial year, the BCM unit completed 30 BIAs and 32 BCPs across the City. It should be noted that included in the statistics are revised BIAs informed by the requirement to reflect changes in the current environment prior to the development of BCPs. In addition, there were BCPs that were reviewed as a result of testing that was conducted during the current financial year. The status of the

Table 3: Category Matrix

RISK CATEGORIES												
ASSETS	COMPLIANCE	ENVIRONMENTAL	ETHICS AND CORRUPTION	FINANCIAL	HUMAN CAPITAL	KNOWLEDGE AND INFORMATION	OPERATIONS	REPUTATION	SAFETY AND SECURITY	SERVICE DELIVERY	SOCIAL/ SOCIOECONOMIC	GRAND TOTAL
Authority/structure/mandate	20	6	1	4	10	3	21	2	2	32	2	103
City dependency	25	7	2	21	5	35	57	11	9	63	2	249
Compliance	104	7	6	12	6	9	32	16	10	46	2	268
Economy	-	-	5	20	-	-	2	-	4	4	-	35
Environment	6	53	-	2	-	-	1	3	5	15	7	93
External stakeholders	21	18	2	34	4	9	68	21	26	114	5	337
Health, safety and security	12	5	-	9	7	-	16	7	145	36	2	254
Infrastructure	8	4	-	7	-	5	9	-	9	35	2	139
IT systems	-	-	2	4	-	34	20	5	-	16	-	83
Leadership	5	1	2	4	-	2	6	2	1	7	-	30
Maintenance	2	1	-	-	-	1	6	1	-	3	-	29
Monitor, review and reporting	7	-	1	4	-	5	6	1	1	6	-	32
Planning	8	5	1	11	4	3	13	3	2	37	-	94
Processes and procedures	56	7	8	49	23	24	101	35	14	85	3	433
Resources	47	13	1	66	80	13	85	15	38	130	4	549
Social	3	-	1	-	-	-	1	-	4	8	7	25
Unethical behaviour and criminal activities	6	4	53	6	1	2	6	11	54	13	1	167
Urbanisation	1	2	-	4	-	-	1	-	3	19	5	41
<b>GRAND TOTAL</b>	<b>331</b>	<b>133</b>	<b>85</b>	<b>257</b>	<b>140</b>	<b>145</b>	<b>451</b>	<b>133</b>	<b>327</b>	<b>669</b>	<b>42</b>	<b>2961</b>

CATEGORIES OF CONTRIBUTING FACTORS

Figure 6: BIA and BCP status as at 30 June 2023.



deliverables as at 30 June 2023 per directorate is depicted in figure 6 above.

During the financial year under review, BCM has undertaken various ad-hoc projects. A City-wide BCM coverage project was undertaken to confirm which directorates have taken part in a BIA and BCP development since inception of the function. The project scope was all BIAs and BCPs signed off and submitted for approval. The total organisational coverage thus far as at 2022/23 is 66% for BIAs and 60% for BCPs. This translates into 7% BIA and 8% BCP increase in coverage due to work performed during 2022/23 financial year. In addition, at least 30% of the prior-developed BIAs and 25% of the prior-developed BCPs were reviewed over the years. BCM undertook various collaborations to determine the City's readiness for stage 8 load-shedding, namely:

- ✓ Extended power outage Readiness reporting: Various directorates presented on their level of readiness to continue operating should an extended power outage materialise. This took place at both the EMT and the citywide monthly collaboration meetings. The operational and strategic discussions have centred on areas of improvement to minimise operational disruptions, including the cost and benefit analysis in order to balance this with long-term sustainable energy solutions; and
- ✓ BCM "War Games": In anticipation of stage 8 load-shedding and beyond, Water and Sanitation completed a stage 8 readiness exercise in collaboration with the Disaster Risk Management (DRM) and BCM team. The objective of the exercise was to test the Water and Sanitation Emergency Management Plan (EMP)

for prolonged outage of electricity supply, which is supported by departmental BCPs.

### *Level-3: Independent internal assurance providers*

Principle 15 of King IV states that the Council should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports. The current organisational approach to the implementing combined assurance takes into account the functions and responsibilities of all levels of assurance providers.

Level-3 assurance providers include IA, FS and OCO. Note that the mandate, authority, and scope of work of these assurance services are indicated in their respective By-laws, functional delegations, Charters and SOPs. A summary of the assurance outcomes of engagements completed in 2022/23 financial year follows below:

#### *ETHICS INVESTIGATIONS*

The core mandate of Ethics is to drive processes that protect, nurture, enhance and institutionalise a culture of ethics at the City, including investigating allegations of unethical behaviour and facilitating the implementation of the City's ethics action plan and associated programmes and practices.



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In 2022/23:

127 risk registers, including the CCTCRR, transversal, executive and tactical risk registers were completed and signed off across the City.

Ethics investigations are specific instances / allegations connected to an individual(s) in order to determine, by means of interviews and/or physical evidence collection whether the allegations are supported or not, after which recommended corrective action or closure of the matter is made. Figure 7 below depicts both a summary and categorised breakdown of ethics matters addressed in the reporting period.

### INTERNAL AUDIT

The IA function is a requirement of the MFMA. Section 62 of the MFMA requires amongst others, that the accounting officer of a municipality must take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards. To this extent, IA operates in accordance with the Institute of Internal Auditors' (IIA's) International Professional Practices Framework (IPPF). The core mandate of IA is to provide assurance and advisory services with regard to the effective and efficient functioning of risk management, governance and internal controls. In the reporting period, IA executed the risk-based IA operating plan, which the Mayoral Committee had approved, and also completed 89 audit projects (assurance and advisory) for the financial year.

In 2022/23:

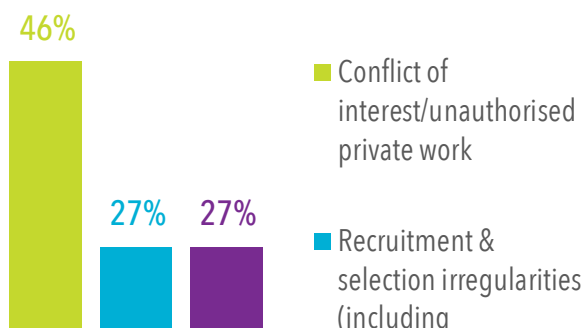
89 audit deliverables were completed, of which 372 were assurance engagements, 18 were follow-up engagements, and 25 were advisory engagements. The remaining 9 deliverables related to auxiliary governance services provided by IA.

Below, figure 8 depicts a graphic representation of the outcomes of the 37 assurance engagements completed and the individual finding ratings:

### FORENSIC SERVICES

The City has a zero tolerance approach to fraud, corruption and other criminal activity, maladministration and/or negligence. All allegations reported to FS are assessed in terms of the aforementioned zero-tolerance-approach and, where warranted are authorised and investigated. Allegations are referred to line management for investigation as and when required and FS monitors and reports on the completion thereof. FS provides recommendations upon completion of investigations where applicable and it is important to note that required remedial actions recommended in the FS reports are implemented to improve the control environment, i.e. institute the recovery of monies and/or required legal action. Furthermore, line management must consider appropriate consequence management and report to delegated authority and oversight structures. FS reports and co-operates with external bodies that have mutual trust on matters of common interest such as, inter alia the South African Police Service (SAPS), Competitions

Figure 7: Summary of Ethics matters as at 30 June 2023.



### OUTCOMES

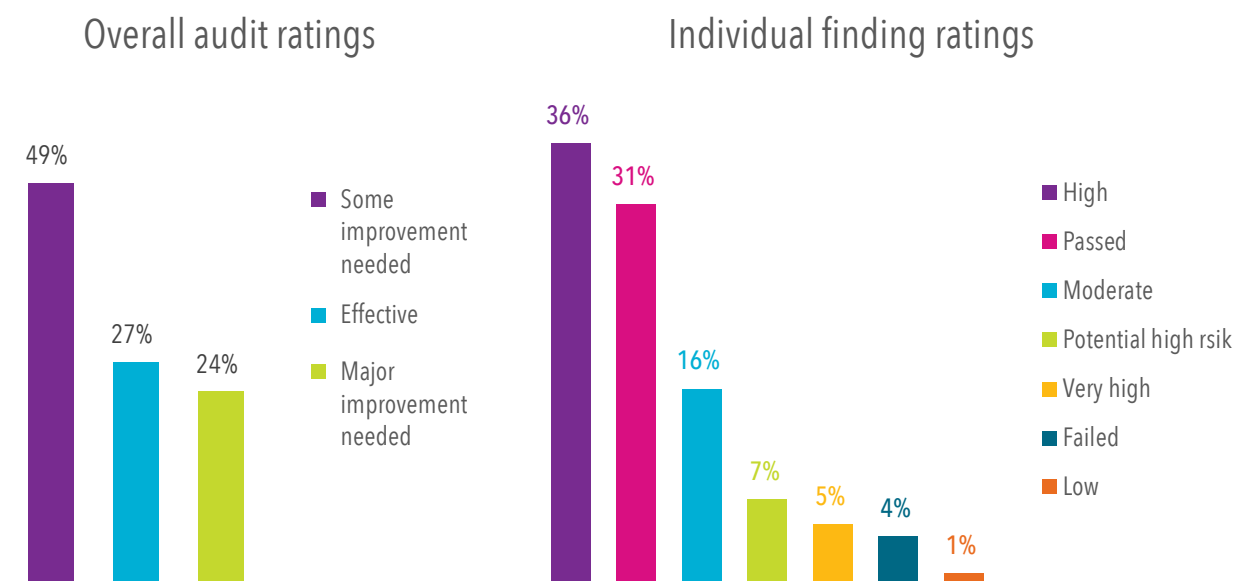
Number of recommendations from the 11 reports issued:

- ✓ 8 for closure (i.e. no action required, paucity of information, etc.);
- ✓ 14 for corrective action (i.e. disciplinary, counselling etc.);
- ✓ 7 for control/business improvements/error corrections; and
- ✓ 2 for reporting the matter to South African police Services (SAPS).

2 Limited to deliverables where components and principles of COSO (the Committee of Sponsoring Organisations of the Treadway Commission Internal Control Framework) are linked to audit opinions. Audit opinions are generally provided for assurance projects only, so the deliverables considered here exclude advisory results. Other exclusions relate to engagements such as follow-ups and performance audit engagements, which are accounted for under the assurance deliverables. However, due to their nature and methodology, no audit opinion is given and related conclusions are reported to APAC as required in terms of the relevant methodologies.



Figure 8: Summary of audit outcomes as at 30 June 2023.



Commission (CompCom), South African Revenue Service (SARS) where applicable.

In 2022/23:

128 FS reports were completed, of which 114 were forensic investigations and 14 were preliminary reports.

A categorised breakdown of the types of allegations investigated and reported on relating to the 128 cases is reflected in figure 9 on the following page. The outcomes of these investigations are summarised in table 4 on the following page.

Recommendations per reports issued by FS are aimed at improving governance in the City, aiding in the fight against fraud and corruption, mitigating identified risks, and addressing control weaknesses.

The scope of work of FS, according to the FS Charter includes, but is not limited to, the provision of the following services/ functions:

- ✓ Leading, developing and/or ensuring the implementation of anti-fraud/corruption policies and prevention measures;
- ✓ Conducting appropriate proactive, detection, awareness, and education programmes on financial crimes and maladministration, fraud prevention and deterrence;

- ✓ Facilitating the operation of an independent fraud hotline. This is to enable employees and whistle blowers external to the City (including customers and suppliers) to report concerns about possible improprieties in matters of financial reporting, compliance with laws and regulations or other matters that may have a direct or indirect effect on financial reporting, with the City's Whistle Blowing Policy;
- ✓ Fostering open and effective communication with line management, the Mayoral Committee (MayCo), EMT, the APAC, and other relevant (internal and external) stakeholders, such as MPAC and the Speaker of Council;
- ✓ Providing a reactive forensic service relating to alleged maladministration and/ or negligence committed on the part of any employee, municipal entity agent, contractor, supplier, and service provider to the City;
- ✓ Investigating alleged economic crime (e.g. fraud, theft, corruption, or other related criminal activity);
- ✓ As part of the reactive forensic service, undertaking a preliminary enquiry/assessment (as and when necessary), into any matter that may give rise to a formal investigation with a view to establishing whether, on reasonable grounds, a forensic investigation is warranted;
- ✓ Where required, providing litigation support in respect of forensic investigations; and
- ✓ Reporting in an effective and timely manner to the appropriate levels of management and the City's governance structures.

Figure 9: Summary of FS category breakdown.

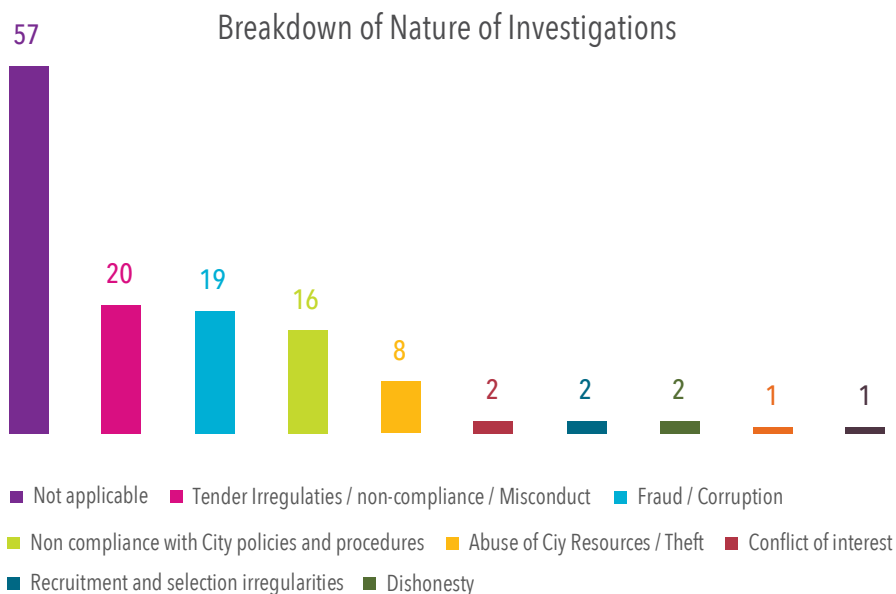


Table 4: Summary of FS investigation outcomes.

OUTCOMES OF FULL INVESTIGATIONS	NUMBER
Recommendation for further investigation, either by line management or through converting a preliminary into a full investigation	13
Recommendations referred to Legal Services	20
Recommendations for closure (i.e. no action required, paucity of information, etc.)	74
Recommendations for counselling/disciplinary/corrective action	41
Recommendations reported to SAPS/Commissioner: Compensation Fund/Competition Commission/BBBEE Commission/SARS/SA Council for the Architectural Profession/PSIRA (criminal investigation)	25
Recommendations for control/business improvements	27
Recommendations relating to policy making/standard operating procedures	2
Recommendations referred to Executive Mayor/Speaker/Council	2
Recommendations relating to employee resigned/ retired/ no longer employed with no further action	11
Recommendations referred to MPAC/Financial Misconduct Board	16
Recommendations for awareness sessions/training interventions	8

Table 5: FS root causes analysis.

ROOT CAUSES	2021/22	2022/23	MOVEMENT
Process inadequacies	19%	28%	↑
Non-compliance to legislation, policy and procedure	34%	28%	↓
Inadequate records management	15%	28%	↑
Policies/SOPs require enhancement	15%	11%	↓
Roles and responsibilities not defined	4%	5%	↑
Lack of training/ awareness	13%	0%	↑

In addition, FS conducts training interventions, workshops and the promotion of the fraud hotline. Increased awareness results in a decrease in unlawful activities and an increase in the reporting of any such incidents.

In 2022/23 financial year, control issues were identified in 23 of the 114 reports issued.

The control issues identified for the financial year are categorised and broken down by percentage as depicted in figure 10 below.

Table 5 above depicts the year-to-year comparison and the movement of the root causes for control issues identified:

#### OFFICE OF THE CITY OMBUDSMAN

In line with King IV recommendations for alternative dispute resolution mechanisms, OCO investigates and helps resolve public complaints against the administration. The OCO renders an independent, impartial, unbiased, non-prejudicial and apolitical service, which includes alternative dispute resolution, advocacy, relationship management and communication. The Office of the City Ombudsman, in turn, serves as the office of last resort to resolve public complaints about the City in an independent, impartial, unbiased, non-prejudicial and apolitical manner. The City Ombudsman can be contacted on [ombudsdirect@capetown.gov.za](mailto:ombudsdirect@capetown.gov.za), via SMS to 44781 or visited in person on their main office on the third floor of the Cape Town Civic Centre.

The quick-access, easy and affordable SMS service proved to be successful in bringing services to all the residents, with the office recording a total number of 48 complaints lodged as at 30 June 2023. In addition to addressing reactive matters (complaints, management and investigation

Figure 10: Summary of control issues.

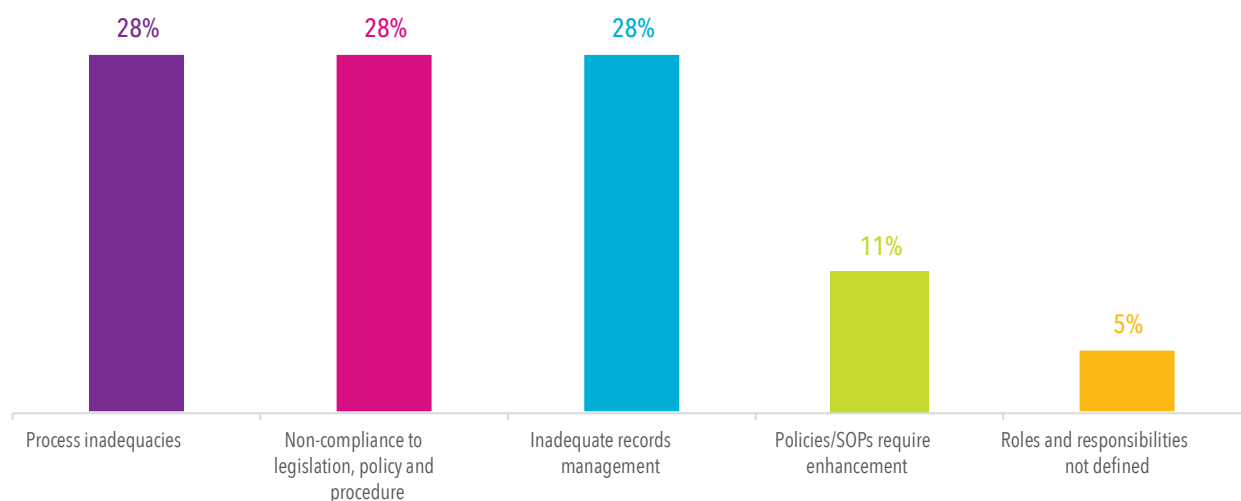


Table 6: Summary of financial impact as at 30 June 2023.

	NUMBER	RAND VALUE
Findings ( <i>in favour of the City</i> )	279	R5 083 410.97
Recommendations ( <i>in favour of complainants</i> )	104	R6 453 401.85

functions), OCO also performs advocacy and awareness initiatives to promote OCO services through, inter alia interviews with local radio stations.

In the reporting year, OCO received 1834 complaints, of which 1023 complaints were redirected or escalated to City departments; with 148<sup>3</sup> received via SMS service and 390 were scheduled for formal investigation whilst 19 complaints still need to be assessed. The remaining 354 did not fall within the Ombudsman's mandate. All the aforementioned matters, except the latter i.e. jurisdiction is yet to be determined, were referred to the appropriate regulatory body (e.g. Office of the Public Protector, Eskom, Ombudsman for Banking Services South Africa), the relevant Appeal Authority or the responsible line department for resolution.

As at 30 June 2023, there were 371 formal investigations in progress and the figure 11 reflects a breakdown per directorate:

During the 2022/23 financial year, 377 formal investigations were completed which had financial implications for either the City or the complainants. The financial impact of findings in favour of the City and recommendations accepted and implemented in favour of the complainants is reflected in the table 6 above.

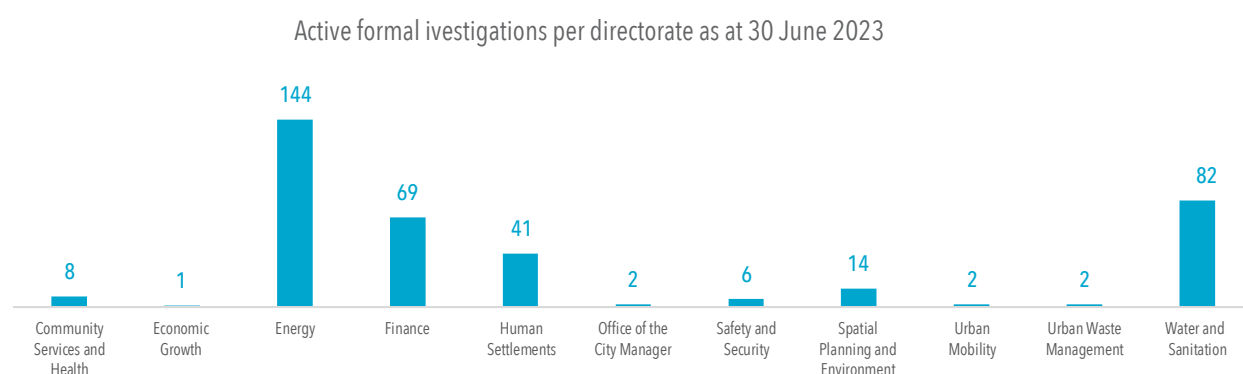
The majority of completed investigations related to the following:

- ✓ Disputes where **debt collection action** was implemented due to the relevant property owners not qualifying for the mass write-off of debt as approved Council (MC 93/05/21);
- ✓ **High water usage billing** disputes due to master data information that is incorrect on SAP, which led to water meter numbers and meter reading differing from the meter devices found at the properties; and
- ✓ **Defective meter** disputes as a result of the 2019/11/061 Electricity Generation and Distribution directive, which allow backdating for electricity used but not paid for.

#### Level-4: Auditor General South Africa

The AGSA compiles an annual management report to the accounting officer on audit findings and other key audits observed. For the 2021/22 financial year, the City received a financially unqualified audit opinion which stated that the consolidated and separate financial statements present fairly, in all material respects, the financial position of the City of Cape Town as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with

Figure 11: Investigation in progress as at 30 June 2023.



3 It should be noted that from the 48 SMSs that were received and processed, four (4) SMSs were captured on the OATS system for further processing and forms part of the 1834 new complaints captured, three (3) were redirected and one forms part of the complaints that need 'to be assessed'. As at 1 October 2022 the SMSs forms part of the mode of contact on the OATS system.

the Standards of Generally Recognised Accounting Practice (GRAP), and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

## MONITORING OF THE CITY'S CONTROL ENVIRONMENT FOR 2022/23

Improvements to the City's internal control environment are monitored through various mechanisms, including formal reporting on the status of the control environment by independent IAPs, and the inclusion of key performance indicators (KPI) on the personal scorecards of executive directors and key operational indicators (KOI) on directorate SDBIPs. Key activities to monitor control improvements for 2022/23 are set out in the paragraphs below.

### *Integrated Combined Assurance Report*

The CAG function compiled the ICAR that provides management and the governance oversight structures such as Council, the APAC and the RiskCo with a single, holistic view of the outcomes of reported assurance coverage across the City and the effectiveness of the control environment. The objectives of the ICAR was to assess and report on how adequately the assurance processes in the City were executed by the relevant assurance providers and how adequately the City mitigated the risks reflected on the 2022/23 CCTCRR. The outcomes of the ICAR for the year under review will be communicated to the delegated oversight structures.

### *Annual statement on governance, risk management and internal controls*

In line with the requirements of King IV, IA issues an annual statement on the effectiveness of the City's governance, risk management and controls processes to stakeholders such as the EMT and APAC. Based on the results of the work performed by Internal IA during the 2022/23 financial year, the annual statement provided the City leadership with an overall opinion of the control environment, indicating some improvements needed and control areas that needed to be enhanced.

### *Risk Committee report*

The RiskCo has compiled and submitted a report on its activities for the financial year to the APAC. The report covers key responsibilities as stipulated in its approved terms of reference, and advises City Manager on matters relating, but not limited, BCM, risk management and combined assurance. The RiskCo report will be included in the City's integrated annual report.

### *Audit and Performance Audit Committee report*

APAC submits a report on its activities to the Executive Mayor, Mayoral Committee and Council at the end of each financial year. The report covers key responsibilities as stipulated in its approved terms of reference, and advises Council on matters relating, but not limited, to governance, risk management and internal controls. The APAC report forms part of the City's integrated annual report.

### *Proactive verification of employee qualification*

The City continuously strives to provide a service of excellence through accountability, trust and upholding the highest standards of integrity. The City Manager tasked the Ethics function, in conjunction with Human Resources (HR), to embark on a pro-active exercise of verifying City employee qualifications, on an ongoing basis and to be reported quarterly to City Manager.

This exercise is aimed at validating the qualifications disclosed by employees when they are appointed and / or promoted within the City and furthermore this is in accordance with the City's zero tolerance towards fraudulent and unethical behaviour. In the spirit of ensuring a good governance and setting the tone at the top, the qualifications of the City employees were validated. As at 30 June 2023, 4735 qualifications were verified. From these verification results, 16 City employees were found to have fraudulent qualifications, of which 12 are no longer City employees due to the resignation or dismissal in terms of City disciplinary processes. In addition, 12 fraudulent matters were reported to the South African Police Services (SAPS), with the remaining four in progress of being reported to SAPS for criminal prosecution.

### *Percentage Internal Audit recommendations resolved*

IA verifies the implementation status of its recommendations through a formalised follow-up process, checking whether corrective actions stemming from previous audits and agreed to by line management have been adequately and effectively implemented. The results of follow-up audits are used every quarter to measure the KOI "Percentage Internal Audit recommendations (findings) resolved" for the various directorates. As at 30 June 2023, table 7 reflects outcomes of each directorate with an average of 87% on this indicator, against a target of 75%.

Table 7: Status of follow-up audits as at 30 June 2023.

DIRECTORATE	NO. OF RECOMMENDATIONS			CUMULATIVE % INTERNAL AUDIT RECOMMENDATIONS RESOLVED
	ORIGINAL AUDIT	RECURRING	RESOLVED	
Community Services and Health	36	1	35	97%
Corporate Services	53	-	53	100%
Economic Growth	7	-	7	100%
Energy	17	2	15	88%
Finance	3	-	3	100%
Future Planning and Resilience	16	3	13	81%
Human Settlements	11	-	11	100%
Office of the City Manager	8	-	8	100%
Safety and Security	48	2	46	96%
Spatial Planning and Environment	14	-	14	100%
Urban Mobility	14	1	13	93%
Urban Waste Management	40	27	13	33%
Water and Sanitation	33	4	29	88%
<b>TOTAL</b>	<b>300</b>	<b>40</b>	<b>260</b>	<b>87%</b>

*CORRECTIVE ACTIONS TAKEN STEMMING FROM INDEPENDENT INTERNAL ASSURANCE PROVIDERS ENGAGEMENTS*

The KPI "Percentage independent internal assurance providers' recommendations implemented" measures the progress made by responsible line managers in implementing recommendations made by the independent internal assurance providers. Additionally, the KPI is on Executive Directors' personal scorecards and the results of which are discussed with the City Manager during individual performance reviews/discussions.

The results in respect of this KPI are reported to the relevant oversight bodies to ensure that the responsible officials are held accountable, that timely and appropriate actions are taken, and that inaction is dealt with. Performance for 2022/23 financial year is illustrated in the table 8 below:

*PERCENTAGE DECLARATIONS OF INTEREST COMPLETED*

The updated standard operating procedure for private work and declarations of interest requires all employees graded at post level T14 and above, Supply Chain Management conflicted employees as well as all employees (irrespective of T-grade) involved in certain key business processes to submit

a declaration of interest at least once per financial year. Employees graded at T13 and below are required to declare at least once every three years and/or when their circumstances change and the three-year cycle commenced on 1 July 2022. The Ethics function monitors and reports throughout the year on the overall statistics in respect of declaration of interest completed. The results as at 30 June 2023 are reflected in table 9 below:

*City's key governance interventions and enhancements*

Key governance interventions embarked on by the assurance providers, are as follows:

- ✓ Governance awareness campaigns and training sessions hosted by the independent internal assurance providers across the City.
- ✓ IRM updated the IRM Standard Operating Procedures (SOP), which was approved by the City Manager on 27 January 2023.
- ✓ CAG engagements with various assurance providers for completion of Annual and Quarterly Compliance report with Laws, Regulation and national standards.

Table 8: KPI results as at 30 June 2023.

DIRECTORATE	TOTAL NO. OF RECOMMENDATIONS	NO. OF RECOMMENDATIONS IMPLEMENTED	% RECOMMENDATIONS IMPLEMENTED	TARGET
Community Services and Health	101	100	99%	85%
Corporate Services	99	97	98%	
Economic Growth	19	19	100%	
Energy	49	47	96%	
Finance	77	77	100%	
Future Planning and Resilience	30	27	90%	
Human Settlements	31	31	100%	
Office of the City Manager	15	15	100%	
Safety and Security	56	54	96%	
Spatial Planning and Environment	18	18	100%	
Urban Mobility	20	19	95%	
Urban Waste Management	54	27	50%	
Water and Sanitation	152	148	97%	
<b>Total</b>	<b>721</b>	<b>679</b>	<b>94%</b>	

- ✓ Collaboration and reporting on proactive exercise of verifications of qualifications for City employees.
- ✓ Collaboration and coordination of assurance efforts by the different levels of assurance providers in the City.
- ✓ Monitoring and reporting compliance on the City's Code of Conduct Annual acknowledgement by employees.
- ✓ The CMR reports were completed and submitted to EMT for noting.
- ✓ The AGF was revised to incorporate inputs from key stakeholders and approved by the City Manager on 29 June 2023.
- ✓ Council adopted the Combined Assurance Model and the COSO Internal Control Model on 26 January 2023 (item C28/01/23).
- ✓ Reporting on integrated governance interventions/projects and their outcomes to City leadership.

Top 300 SCM committee where a system of standardisation of processes to ensure appropriate interpretation, understanding and application of SCM policies.

- ✓ OCO launched five new satellite offices to ensure accessibility by public.
- ✓ As from 01 July 2023, the City merged the functions of Risk, Business Continuity Management, Resilience and Climate Change into a new department of Risk and Resilience within the Future Planning and Resilience Directorate in order to entrench the synergies that these functions provide in strategically planning for and responding to the increasingly complex operating environment.
- ✓ Risk and Resilience department continued to roll-out training sessions for staff on Urban Resilience.



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Table 9: Declaration of Interest summary as at 30 June 2023.

<b>AS AT 30 JUNE 2023</b>	
Staff at level T14 and above	99.8% (target 100% per year)
Staff at level T13 and below	72% (target 100% by end of 2024/25)
SCM-conflicted employees on the City's database	Zero by the end of the financial year (97 resolved)

The breakdown by directorate is as follows:

<b>DIRECTORATE</b>	<b>% COMPLETION FOR LEVEL T14 AND ABOVE</b>	<b>% COMPLETION FOR LEVEL T13 AND BELOW</b>	<b>SCM-CONFLICTED STAFF ON CITY'S DATABASE</b>
Community Services and Health	100%	77%	-
Corporate Services	100%	90%	-
Economic Growth	100%	73%	-
Energy	98%	42%	-
Finance	100%	100%	-
Future Planning and Resilience	100%	95%	-
Human Settlements	100%	93%	-
Office of the City Manager	100%	96%	-
Safety and Security	100%	92%	-
Spatial Planning and Environment	100%	89%	-
Urban Mobility	100%	43%	-
Urban Waste Management	100%	57%	-
Water and Sanitation	100%	56%	-
<b>Overall City compliance</b>	<b>99.8%</b>	<b>72%</b>	<b>0 outstanding (97 resolved)</b>

# APPENDIX I: B-BBEE COMPLIANCE PERFORMANCE REPORT

SECTION A: DETAILS OF ENTITY			
Name of Entity	City of Cape Town		
Registration Number	N/A		
Physical Address	12 Hertzog Boulevard, Cape Town, 8000		
Telephone Number	(021) 400 1330		
Email Address	mogamat.abass@capetown.gov.za		
Type of Entity	Metropolitan Municipality		
Industry/Sector	Local Government		
Relevant Code of Good Practice	Amended Codes Specialised Generic Scorecard		
Name of Verification Agency	JSBEE SOLUTIONS		
Name of Technical Signatory	Joe Seretloe		

SECTION B: INFORMATION AS VERIFIED BY THE BROAD-BASED ECONOMIC EMPOWERMENT VERIFICATION PROFESSIONAL AS PER SCORECARDS			
B-BBEE ELEMENTS	TARGET SCORE INCLUDING	BONUS POINTS	ACTUAL SCORE ACHIEVED
Ownership	e.g. 25 points	n/a	n/a
Management control	e.g. 19 points	n/a	17,88
Skills Development	e.g. 20 points	0,00	17,17
Enterprise and Supplier Development	e.g. 40 points	2,90	40,04
Socio-Economic Development	e.g. 5 points	n/a	5,00
Total Score	e.g. 109 points	n/a	80,09
Priority Elements Achieved	YES/NO and specify them	Yes - Skills Development, Yes - Enterprise Development and Yes - ESD - Preferential Procurement No - ESD - Supplier Development	
Empower Supplier Status	YES/NO and specify them	Yes	
Final B-BBEE Status Level	5		

**SECTION C: FINANCIAL REPORT****1. BASIC ACCOUNTING DETAILS:**

a. Accounting Officer's Name:	Mr. Lungelo Mbandazayo		
b. Address:	12 Hertzog Boulevard, Cape Town 8000		
c. Accounting Policy: (Your accounts are done?)	Weekly	Monthly	Other (specify)
			Annually
d. Has the attached Annual Financial Statements (AFS) and Integrated Annual Report (IAR) been approved by the entity?	Yes		

**2. DOCUMENTS ATTACHED**

a) AFS including Balance Sheet and Income and Expenditure Report are part of this document			
i) IAR is part of this document			
b. Entity Annual Turnover	R48.8 bn		
c. Sign-off and Date	2022/09/21		
Signature	Date		

## B-BBEE COMPLIANCE PERFORMANCE REPORT - SCORECARD ELEMENTS:

MANAGEMENT CONTROL									
Number of directors/managers:									
Categories	% Number for each category	Race classification (indicate number in terms of A, C and I)	Gender (indicate number in terms of female and male (F and M))	Age (provide number in chronological order)	Location (indicate number in each province)	Disability (indicate number in terms of F and M)			
Board	253	A = 105 C = 101 I = 8	F = 69 M = 127	n/a	Western Cape	n/a			
Exec Directors	13	A = 4 C = 4 I = 0	F = 3 M = 5	n/a	Western Cape	n/a			
Non-Exec Directors	240	A = 79 C = 101 I = 8	F = 66 M = 122	n/a	Western Cape	n/a			
Senior Management	90	A - 14 C - 26 I - 11	M = 32 F = 19	n/a	Western Cape	M = 3 F = 1			
Middle Management	2779	A = 584 C = 1219 I = 117	M - 1135 F - 785	n/a	Western Cape	M = 30 F = 11			
Junior Management	9071	A - 3014 C - 4976 I - 106	M - 4484 F - 3552	n/a	Western Cape	M = 94 F = 73			
Dividends declared	n/a								
(A-Africans, C-Coloureds and I-Indians)									

**SKILLS DEVELOPMENT**

Total leviable amount and number of black persons trained:

Total leviable amount: R12 564 198 062

Categories	% Number for each category	Race classification (indicate number in terms of A, C and I)	Gender (indicate number in terms of F and M)	Age (provide nr in chronological order)	Location (indicate number in each Province)	Disability (indicate number in terms of F and M)	Total Amount Spend
Black employees	A = 491 D = 9 E = 2361 F = 1889 G = 11050	A = 5418 C = 7301 I = 153	M = 7157 F = 5707	n/a	Western Cape	M = 128 F = 84	R33 592 353
Black non-employees	G = 23647	A = 12285 C = 11333 I = 29	M = 8130 F = 15518	n/a	Western Cape	M = 31 F = 23	R438 289 088
Black People on internships, apprenticeship, learnership	D = 1497	A = 940 C = 564 I = 2	M - 657 F - 849	n/a	Western Cape	M = 0 F = 0	R66 979 430
Unemployed black people on any programme under the learning programme matrix	A = 73 D = 1496 E = 165 F = 71	A = 1144 C = 661 I = 4	M = 800 F = 1008	n/a	Western Cape	M = 0 F = 0	R1 444 554
Black people absorbed at end of learnership, internship and apprenticeship	97	A = 0 C = 0 I = 0	M = 0 F = 0	n/a	Western Cape	M = 0 F = 0	R0

**3. ENTERPRISE AND SUPPLIER DEVELOPMENT**

Total procurement spend/budget and number of enterprise and supplier development beneficiaries and value:

Value of the 2% of Net Profit After Tax (NPAT) or 0,2% of allocated budget for supplier development, as well as 1% NPAT of 0,1% of allocated budget for enterprise development.

Total procurement spend:	R29 517 351 623				
Total number of suppliers: 1885	Total value spend: R29 676 684 951 (Excl. Vat)				
Total number of EME suppliers:866	Total Value Spend: R1 747 502 299,00	% Black ownership n/a	476	% Black women ownership n/a	236
Total number of QSE suppliers:485	Total Value Spend: R5 203 553 609,00	% Black ownership n/a	357	% Black women ownership n/a	187
Total number of large suppliers:534	Total Value Spend: R22 725 629 043,00	% Black ownership n/a	166	% Black women ownership n/a	97
Supplier Development: Target R58 063 700,00	Total Value Spend: R19 610 526,77	% Black ownership n/a		% Black women ownership n/a	
Enterprise Development: Target R29 031 850,00	Total Value Spend: R41 805 588,12	% Black ownership n/a		% Black women ownership n/a	

**4. SOCIO-ECONOMIC DEVELOPMENT**

Total spend and number of black participants, race classification, gender, geographical indication and value:

Total value of 1% NPAT or 0,1% of allocated Budget: R29 031 850,00

Number of participants	Race classification (indicate nr in terms of A, C and I)	Gender (indicate nr in terms of F and M)	Geographical indication (indicate nr in each Province)
n/a	n/a	n/a	GP
n/a	n/a	n/a	MP
n/a	n/a	n/a	FS
n/a	n/a	n/a	LP
49	86,44%	n/a	WC
n/a	n/a	n/a	EC
n/a	n/a	n/a	NC
n/a	n/a	n/a	KZN
n/a	n/a	n/a	NW
Total value spend: R 41 802 076.61			
(A-Africans, C-Coloureds and I-Indians)			

# APPENDIX J: CITY OF CAPE TOWN COST CONTAINMENT INFORMATION

MEASURES	2022/23 BUDGET	TOTAL EXPENDITURE	SAVINGS	COMMENT
	R'000	R'000	R'000	
Use of Consultants	9 972 861	9 779 636	193 225	<p>This category includes EPWP/Mayor's Job Creation Programme (MJCP) staff, all non-permanent staff including library staff, health- and seasonal workers, apprenticeships and learnerships, and contracted services i.e. professional- and advisory services, and contractors.</p> <p>Consultants are used for various repairs and maintenance programs, outsourced administrative support and medical staff, and for professional- and advisory services.</p> <p>Requests for the use of consultants must be supported by the relevant executive director or senior manager.</p>
Vehicle used for political office bearers	0	0	0	No provision against this category in the current financial year.
Travel and subsistence	22 832	17 834	4 998	<p>The City's Travel Management Policy sets out the applicable cost containment measures, which are strictly adhered to within the City.</p> <p>The YTD expenditure relates largely to claims submitted by staff, who do not receive an allowance for essential users or participate in a structured travel allowance, using their own vehicles for business purposes.</p>
Domestic accommodation	1 715	711	1 004	<p>The City's Travel Management Policy sets out the applicable cost containment measures, which are strictly adhered to within the City.</p> <p>Online conferences, meetings, events and training are explored or recommended first, and in-person events are approved strictly in accordance with the City's Cost Containment Policy.</p>



MEASURES	2022/23 BUDGET	TOTAL EXPENDITURE	SAVINGS	COMMENT
	R'000	R'000	R'000	
Sponsorships, events and catering	261 902	250 097	11 804	<p>Sponsorships (consisting of grants-in-aid and sponsorships): All grant-in-aid applications are subject to a screening process to ensure that allocations recommended by the relevant delegated authority comply with the City's Grant-in-aid Policy as well as other relevant policies. Sponsorships are allocations made to organisations who support the City's strategic objectives. Memoranda of Agreements, indicating clear deliverables, are signed with all organisations and payments are made in tranches based on outcomes of agreed deliverables.</p> <p>Events: An ad-hoc committee facilitates selection of events and makes recommendations to the Executive Mayor on which events the City may support in terms of the City's Integrated Development Plan (IDP), and Events Policy.</p> <p>Catering: The City's Catering and Beverage Provision Policy sets out the applicable cost containment measures, which are strictly adhered to within the City.</p> <p>The YTD expenditure relates largely to payments for annual- and ad hoc allocations to support specific programs/events aligned to the City's IDP and strategic objectives, such as the Cape Town Stadium and Tourism Development Management.</p>
Communication	85 322	75 166	10 156	<p>The City, as far as possible, uses newspapers with a readership base predominantly within Cape Town's geographical area and also focuses on community newspapers. The function is centralised within the Corporate Services Directorate and is managed by the Communication Department so as to ensure stricter controls, which include the following measures:</p> <ul style="list-style-type: none"> <li>a) reducing the number and scale of communication campaigns;</li> <li>b) reducing the size and range of print- and radio advertising;</li> <li>c) shifting advertising to the digital space from the traditional print and radio; and</li> <li>d) increasing the use of social media as a communication tool using insourced resources.</li> </ul>



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MEASURES	2022/23 BUDGET	TOTAL EXPENDITURE	SAVINGS	COMMENT
	R'000	R'000	R'000	
Other related expenditure items – conferences and seminars	2 415	763	1 653	<p>The City's Systems and Procedures (SOP) for attendance of seminars, external meetings/ workshops and conferences sets out cost containment measures, which are strictly adhered to within the City.</p> <p>The YTD expenditure relates to online events as online conferences, meetings, events and training are recommended and explored first. In-person events are approved strictly according to the City's Cost Containment Policy.</p>
Other related expenditure items -overtime	1 064 715	1 172 779	-108 064	<p>The City's Overtime Policy sets out the applicable cost containment measures, which include:</p> <ul style="list-style-type: none"> <li>a) guidelines for administration of overtime work on Sundays and public holidays;</li> <li>b) application and approval process management;</li> <li>c) approval of overtime work and payment by officials with delegated authority; and</li> <li>d) monitoring and reviewing provisions and justification of overtime expenditure by relevant directors.</li> </ul> <p>Directorates have implemented strict measures to manage overtime and closely monitor the amount of overtime operational staff may claim each month.</p> <p>The YTD expenditure is largely as a result of emergency overtime worked due to:</p> <ol style="list-style-type: none"> <li>1. increased demand for law enforcement visibility during load-shedding; and</li> <li>2. higher visibility to increase road and public safety initiatives</li> </ol>
Other related expenditure items -office furniture	15 377	10 504	4 873	<p>The City's Corporate Office Furniture and Associated Equipment Policy seeks to exercise frugality by utilising existing redundant office furniture before new office furniture may be procured. The policy stipulates that the relevant delegated official must scrutinise the City's 'used furniture inventory' before any new furniture may be procured, and must sign a declaration form confirming that this process has been followed.</p>
<b>TOTAL</b>	<b>11 427 139</b>	<b>11 307 491</b>	<b>119 649</b>	

# APPENDIX K: RISK MANAGEMENT COMMITTEE REPORT

## RISK GOVERNANCE

The King IV Report on Corporate Governance for South Africa, 2016 (King IV) was adopted by Council on 5 December 2017 (item C 03/12/17). Principle 11 of King IV specifies that risk is governed in a manner that supports the organisation in setting and achieving strategic objectives. The King IV Municipal Supplement indicates that, in the local government sector, Council as the governing body assumes responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the organisation. In line with Practice 50 (Principle 8) of King IV, this annual report reflects on the activities of the Risk Management Committee (RiskCo) for the financial year ending 30 June 2023.

The City follows an integrated approach to risk management per the its Assurance Governance Framework. Integrated Risk Management (IRM) is defined as the City-wide application of risk management and includes risk identification, assessment, management, monitoring and reporting thereon. Effective risk management assists in the achievement of the City's objectives in accordance with its Integrated Development Plan (IDP).

Section 62 of the Municipal Finance Management Act (MFMA) assigns the responsibility for risk management at an administrative level to the City Manager (CM). In line with Practice 62 (Principle 8) of King IV, a Risk Committee (RiskCo) has been constituted by the CM which serves as the appropriate forum and governance structure to perform oversight over risk management and governance in the City. Complementary to RiskCo the established IRM function facilitated risk management in the City within the Risk, Continuity and Ethics (RCE) department within the Office of the City Manager during the 2022/23 financial year.

## ROLES AND RESPONSIBILITIES

RiskCo has been operational since December 2008 and functions in accordance with its terms of reference that were approved by the CM. The RiskCo terms of reference are aligned to the King IV principles of sound corporate governance practices and operates in accordance thereto. The RiskCo assists the CM and the Executive Management Team (EMT) in discharging their risk management responsibilities. RiskCo advises on matters related to risk

governance and reports to the Audit and Performance Audit Committee (APAC) on a quarterly basis. In accordance with its terms of reference RiskCo is not a decision-making committee and is not responsible for the municipal entities of the City.

Several internal functions report to RiskCo and provide information to assist in the effective execution of the RiskCo mandate in terms of the approved terms of reference. These functions include, but are not limited to IRM, Business Continuity Management (BCM) and Combined Assurance (CA). The mentioned three functions all reported administratively to the Office of the CM during the 2022/23 financial year.

## MEMBERSHIP AND MEETINGS HELD

RiskCo members are appointed by the CM in accordance with the approved RiskCo terms of reference. In line with Practice 63 of Principle 8 of King IV, the APAC Chairperson, or an alternative member of APAC, is included as a member to provide feedback to the APAC. The latter oversight structure reports to Council on risk governance as per the APAC terms of reference.

In accordance with its terms of reference, RiskCo meets on a quarterly basis. During the 2022/23 financial year, these quarterly meetings were held on 15 August 2022, 31 October 2023, 27 February 2023 and 29 May 2023.

The list of the members, as well as their attendance or representation at the meetings for 2022/23 financial year, is provided in the table on the following page.

Note: attendance includes Executive Directors, acting Executive Directors appointed by the City Manager in the interest of continuity of operational demands, as well as representation by a person (e.g. the risk champion) from the respective directorate other than the appointed member.

Guided by the RiskCo terms of reference, the CM, Chief Audit Executive, Chief Forensic Services, Chief: RCE, City Ombudsman, Director: Organisational Performance Management, Director: Policy and Strategy, Director: Resilience, Manager: Combined Assurance and Governance as well as the Strategic Advisor to the City Manager are standing invitees to RiskCo meetings.

MEMBER	NUMBER OF MEETINGS ATTENDED	MEMBER	NUMBER OF MEETINGS ATTENDED
Chairperson Director Combined Assurance and Governance	4	Executive Director: Future Planning and Resilience	4
APAC chairperson or an alternative member of APAC	4	Executive Director: Human Settlements	4
Executive Director: Community Services and Health	4	Executive Director: Safety and Security	3
Executive Director: Corporate Services	4	Executive Director: Spatial Planning and Environment	4
Executive Director: Economic Growth	4	Executive Director: Urban Mobility	4
Executive Director: Energy	4	Executive Director: Urban Waste Management	4
Executive Director: Finance	4	Executive Director: Water and Sanitation	4

## KEY FOCUS OF RISKCO DURING THE FINANCIAL YEAR

The RiskCo agenda is informed by an approved annual RiskCo workplan. Meetings are appropriately minuted and the information packs are shared with RiskCo members and standing attendees in a timely manner. The key focus of the RiskCo during the 2022/23 financial year included:

## KEY STRATEGIC RISKS

RiskCo regularly reviews the City's Corporate Risk Register (CCTCRR), which focuses on the City's strategic risks, the key controls that are in place, as well as the action plans to effectively manage such risks.

The key strategic risk themes in the CCTCRR as at 30 June 2023, as well as key controls and action plans to address the strategic risk themes, are detailed below:

STRATEGIC RISK THEMES	KEY CONTROL(S)	ACTION PLANS
Governance and legal compliance	Monitoring, reviewing and obtaining assurance on the risk and control environment in accordance with the transversal Assurance Governance Framework	Recruit additional Contract Managers across Directorates. Establish the City's Corporate Business Continuity Coordination Committee (CBCCC) to monitor city continuity risks and action plans.
Crime and safety incidents	Monitoring and reviewing of crime, health and safety incidents and responses by the Disaster Risk Management Advisory Forum Monitoring and review of the Law Enforcement Advancement Programme (LEAP) (Safety Plan)	Execute a Construction Mafia study and develop City Strategy on how to deal with/mitigate related risks Develop a Renewal and Regeneration Strategy Ensure sufficient coverage of City social strategies/mandates within the new IDP and resilience strategy

STRATEGIC RISK THEMES	KEY CONTROL(S)	ACTION PLANS
Inability to meet growing demand for services (quantity and quality)	<p>Roll out/monitoring of enterprise asset management plan CIDMS (City Infrastructure Delivery Management System)</p> <p>Forward planning, monitoring and reviewing of City's economic performance in relation to the Economic Growth Strategy via the related implementation plan</p> <p>Monthly monitoring and reporting on various Service Delivery Mayoral Priority programmes</p>	<p>Prioritise 100 IEGS action plans into a project plan for roll-out for the 2022/23 financial year</p> <p>Develop a Human Settlements Implementation Plan based on Human Settlements Strategy as approved</p> <p>Finalise, and get approval of, District Implementation Plans (which will inform sector plans of line departments)</p>
Infrastructure and property	<p>Provide guidance on infrastructure development "adequacy" via the Transversal: Municipal Spatial Development Framework (MSDF)</p> <p>Monitoring and reviewing by Corporate Project, Programme and Portfolio Management (CPPPM) of the implementation and expenditure of projects</p> <p>Monthly monitoring and reporting on the Mayoral Land Release Programme and Service delivery related Mayoral Priority programmes.</p> <p>Ongoing monitoring of the public transport interchanges to assess need for remedial actions</p>	<p>Review of the Facilities Sector Plan and refocusing the Facilities Management Department</p> <p>Mayoral review of the Optimisation and Rationalisation (O&amp;R) implementation plan</p>
Unlawful Land Occupation hampering service delivery	<p>Activation of Land Relocation Plan on request of line departments.</p> <p>Directorate's War Room meetings to look into all threats (incl. land invasion/occupation monitoring in accordance with the ULO By-law)</p> <p>Monthly monitoring and reporting on the Mayoral Land Release Programme</p> <p>Quarterly monitoring and review crime, health and safety incidents and responses by the Disaster Risk Management Advisory Forum</p>	<p>Develop a strategic approach (disposal program) in making redundant City owned immovable property assets available for third party needs</p> <p>Investigate acquisition of technology that could assist to better detect movements and pro-actively respond to avoid land invasion/work more cost effectively</p>
Inter-governmental collaboration	<p>Monitoring and reviewing of compliance with Section 41 of the Constitution and other relevant sections, Section 44 of the MFMA and the South African Intergovernmental Relations Framework Act 13 of 2005</p>	<p>Develop an advocacy action plan including ability to track initiatives with other spheres of government</p>

STRATEGIC RISK THEMES	KEY CONTROL(S)	ACTION PLANS
Skills / Competencies	<p>Monitoring the implementation of the various Directorates Staffing Strategies and succession planning</p> <p>Monitoring and reviewing the development and implementation of the annual Work Place Skills Plan</p> <p>Monitoring the implementation of the Transversal Attraction, Development and Retention Strategy</p>	<p>Strategic Workforce Planning (SWP) – Identification of future skill needs</p> <p>Roll-out of skills audit</p>
Financial Resilience and Economic Stability	<p>Monitoring and reviewing the financial performance versus targets on the corporate scorecard (incl. debt to income, consumer debtors to income, cost coverage indicators and collection ratio)</p> <p>Forward planning, monitoring and review of City's economic performance in relation to the Economic Growth Strategy via implementation plan</p> <p>Monitoring and review of City performance against "Doing business in SA" and developing and implementation of corrective action plans</p>	<p>Prioritise 100 IEGS action plans into a project plan for roll-out for the 2022/23 financial year</p> <p>From IEGS, create Mayoral Programme for ease of doing business</p> <p>Complete an economic risk matrix and scenario planning</p>
Effects of Climate Change and Pollution on Resources and Services	<p>Monitoring and reviewing the implementation of the Climate Change Strategy</p> <p>Detailed risk monitoring and review of climate change, pollution and other environmental risk identification and mitigation on the Transversal Environmental Risk Register</p>	<p>Complete a full portfolio of coastal defence projects in the environment sector plan</p>
Energy security	<p>City-supply Area Electricity Network Black Start Plan and Procedures (business continuity plan for energy and climate change)</p> <p>Roll-out of Small Scale Embedded Generation (SSEG) Programme</p> <p>Monitoring and reporting on the implementation of the energy security of supply for Economic Growth Mayoral Programme</p>	<p>Create a stage-8-and-above load-shedding shock coordinating structure and develop recommendations for further continuity measures beyond what is already in place by line directorates</p>
Technology and Cyber Security	<p>Detailed risk monitoring and review of IT risk identification and mitigation on the Transversal IS&amp;T Risk Register</p> <p>Monitoring and review of the implementation of the Core Application Review (CAR) and the related mitigating action plans.</p>	<p>Scheduled assessment of the City's ISMS against the ISO27000 standard (3 years)</p> <p>Establish ToR and Committee on Managing of Data Breaches.</p>



## TRANSVERSAL RISKS REGISTERS

RiskCo's oversight includes all transversal risk registers maintained by the City, namely:

- ✓ Environmental;
- ✓ Information Systems and Technology (IS&T);
- ✓ Finance; and
- ✓ Fraud; and
- ✓ Staff Safety.

RiskCo had oversight over the existing transversal risk registers during 2022/23 financial year.

The City maintains Transversal Risk Registers, which differs from the Executive and Departmental risk registers in that they are:

- ✓ Topic specific as opposed to organizational structure specific;
- ✓ Signed off by assurance providers as opposed to risk owners; and
- ✓ Consider risk matters affecting and managed across various directorates.

## EXECUTIVE RISKS

Executive Directors manage risks that could impact on their operations. These risks can be long or short term in nature, and could potentially have an impact on the City's goals and/or the directorates' key performance indicators. During 2022/23 financial year, the Executive Risk Registers were submitted to RiskCo twice (August 2022 and February 2023) and was intended to be from a collective oversight perspective and, due to the extensive nature of these registers, the oversight by RiskCo focused on the risks rated 70 to 100.

## RISKCO SELF-ASSESSMENT

In line with the approved terms of reference, RiskCo members self-assess the performance of RiskCo every second year to determine how well, according to RiskCo members' perceptions, they fulfil the roles and duties assigned to them in the RiskCo terms of reference. The outcome provides an opportunity to improve where gaps are identified.

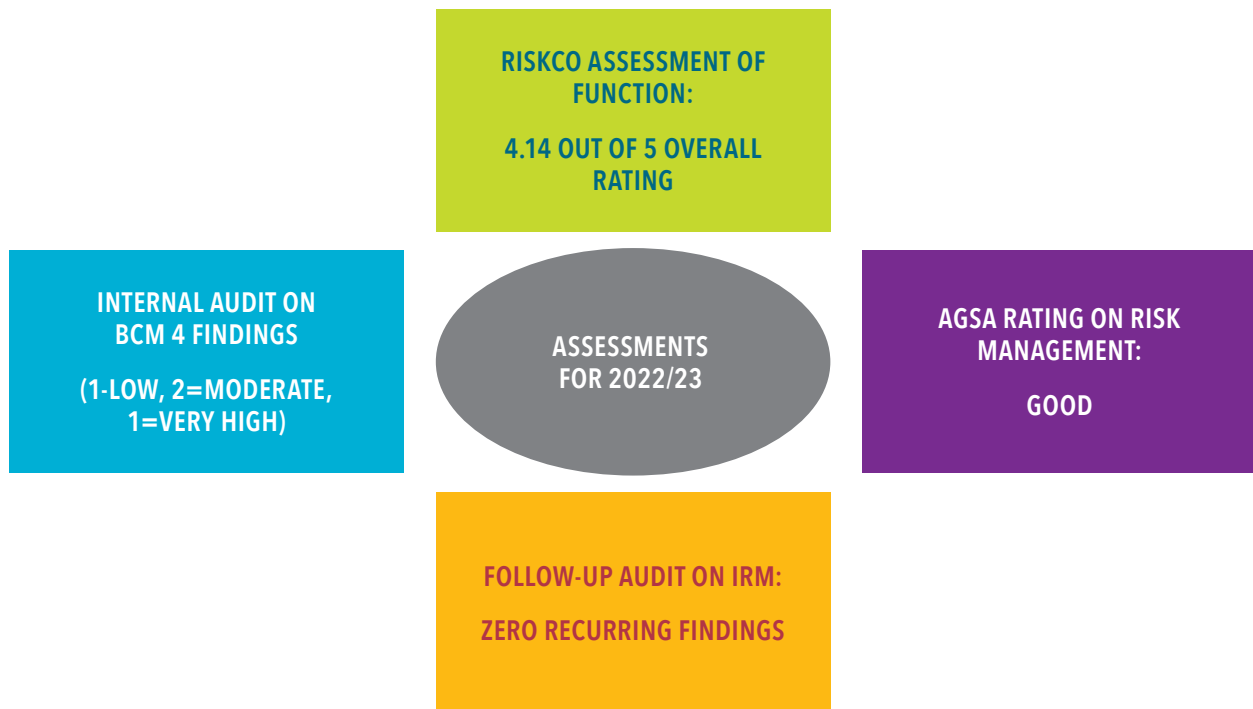
RiskCo members completed a self-assessment during March 2023. The consolidated average outcome was 3.77 out of 5 as reported to RiskCo in May 2023.

## ASSESSMENT OF IRM AND RISK GOVERNANCE WITHIN THE CITY

During the 2022/23 financial year further assessments were done on the functions. In May 2023 a consolidated view of the assessments during the financial year was submitted to RiskCo.

Paragraph 4.5 of the RiskCo terms of reference requires that RiskCo "assess the effectiveness of the IRM and BCM functions annually and will advise the City Manager and APAC on the outcome of such an assessment". The assessment was done in the form of a questionnaire with questions aimed at assessing RiskCo's perception of where IRM and BCM potentially could fail the embedding of the functions in the City, as well as the support these functions provided to RiskCo to fulfil their role.

The figure below depicts the outcome of these assessments. Long-term due dates for the Internal Audit Findings on BCM were agreed to.



## INTEGRATION OF RISK MANAGEMENT WITHIN THE CITY

Apart from reflecting on the 2022/23 financial year it is worth mentioning that risk management has long been well integrated into the City of Cape Town. Examples of such integration include the following:

- ✓ The establishment of risk-aware “culture” where all employees fully understand and prioritise risk management.
- ✓ Ensuring that top management actively supports and participates in risk management efforts and in so doing display leadership commitment to risk management.
- ✓ Risk management principles are embedded in project management.
- ✓ Transversal risk registers were created and improved the collaboration of topic specific risks significantly.
- ✓ Risk management integration into the combined assurance processes.

- ✓ Collaborations with various assurance providers via the risk management processes.
- ✓ Improved monitoring of risk indicators and the reporting on risk status to management and stakeholders so as to adequately support decision-making.
- ✓ Overall maturing of the risk management function.

## CONCLUSION

RiskCo is pleased that the City responsibly discharges risk governance and integrated, City-wide risk management. RiskCo activities carried out for the 2022/23 financial year assisted in the effective fulfilment of the RiskCo roles and responsibilities, in accordance with its approved terms of reference.

**Lindiwe Ndaba**

*Chairperson: Risk Management Committee*



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# APPENDIX L: 2022-2027 CIRCULAR 88 OUTCOME SCORECARD (REFERENCE ANNEXURE)

<b>PRIORITY: ECONOMIC GROWTH</b>						
Let's make Cape Town the easiest place to do business and create jobs in Africa						
<b>OBJECTIVE 1. INCREASED JOBS AND INVESTMENT IN THE CAPE TOWN ECONOMY</b>						
<b>KEY PERFORMANCE INDICATOR</b>		<b>BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)</b>	<b>ANNUAL TARGET FOR 2022/23</b>	<b>ACTUAL ACHIEVED FOR 2022/23</b>	<b>VARIATION</b>	
LED2.1	Rates revenue as a percentage of the total revenue of the municipality	27,2%	27,0%	29,1%	-2,1%	
LED2.2	Rateable value of commercial and industrial property per capita	R 79 537	R72 000	R 83 681	-11 681,02	
<b>PRIORITY: BASIC SERVICES</b>						
Let's get the basics right as the foundation of a healthy and prosperous city						
<b>OBJECTIVE 2. IMPROVED ACCESS TO QUALITY AND RELIABLE BASIC SERVICES</b>						
WS1.1	Percentage of households with access to basic sanitation [NTTR1]	Data not provided by NT	91%	95,4%	4,4%	
WS2.2	Percentage of households with access to basic water supply [NTTR 1]	99,1%	99%	98,6%	-0,4%	
WS3.1	Frequency of sewer blockages per 100 KMs of pipeline	1 114,05	1 300	956,50	343,50	
WS3.2	Frequency of water mains failures per 100 KMs of pipeline	31,05	30	29,39	0,61	
WS3.3	Frequency of unplanned water service interruptions	5,02	4,81	4,78	0,03	
ENV2.1	Tonnes of municipal solid waste sent to landfill per capita	0,24	0,24	0,24	-0,00	
ENV2.2	Tonnes of municipal solid waste diverted from landfill per capita	0,06	0,05	0,07	-0,02	
ENV3.1	Percentage of households with access basic refuse removal services or better [NTTR 1]	93,8%	87,0%	89,6%	2,6%	
ENV3.2	Percentage of scheduled waste collection service users reporting non-collection	0,0%	75,0%	0,0%	75,0%	

	REASON(S) FOR VARIATION	COMMENTS
	All 30 June 2023 figures supplied are unaudited and as such provisional in nature till finalisation of Annual Financial Statements audit.	
	The sum of rateable value of commercial and industrial property was higher than anticipated and the population is not within the City's control.	Target approved by Council as "Not less than R72 000 per capita".
	Actual achieved was calculated based on the data elements provided by NT contained within the GHS.	NTRR1 = National Treasury (NT) is responsible to provide the actual achieved (data) via the General Household Survey (GHS).
	Actual achieved was calculated based on the data elements provided by NT contained within the GHS.	NTRR1 = National Treasury (NT) is responsible to provide the actual achieved (data) via the General Household Survey (GHS).
	Immaterial variance.	
	Immaterial variance.	
	Actual achieved was calculated based on the data elements provided by NT contained within the GHS.	NTRR1 = National Treasury is responsible to provide the actual achieved (data) via the General Household Survey.
	The target to be amended for the 2023-2024 financial year.	

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTCOME SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
<b>OBJECTIVE 3. END LOAD-SHEDDING IN CAPE TOWN OVER TIME</b>						
EE1.1	Percentage of households to electricity [NTR 1]	96,0%	93,0%	95,0%	2%	
EE3.1	System Average Interruption Duration Index (SAIDI)	N/A	N/A	N/A	N/A	
EE3.3	System Average Interruption Frequency Index (SAIFI)	N/A	N/A	N/A	N/A	
EE3.5	Average System Interruption Duration Index (ASIDI)	New	<3 hours	2,21	0,79	
EE3.6	Average System Interruption Frequency Index (ASIFI)	New	1.3 occasions	0,57	0,73	
EE4.4	Percentage total electricity losses	10,25%	12,0%	11,5%	0,5%	

	REASON(S) FOR VARIATION	COMMENTS
	Actual achieved was calculated based on the data elements provided by NT contained within the GHS.	NTRR1 = National Treasury is responsible to provide the actual achieved (data) via the General Household Survey.
		This indicator was not included in the planning i.e. scorecard as National Treasury provided an option to include into the planning either EE3.1 or EE3.5 if a City does not have a real time online system and Eskom data available. The City opted for EE3.5 below.
		This indicator was not included in the planning i.e. scorecard as National Treasury provided an option to include into the planning either EE3.3 or EE3.6 if a City does not have a real time online system and Eskom data available. The City opted for EE3.6 below.
		Target approved by Council as "<3hours". New indicator for 2022/23 C88 reporting hence no baseline. Indicator reported on, however all data provided are based on the World Bank measurement, which is estimated data. The City is aligned to the World Bank. Providing actual data to National Treasury will require a sophisticated electronic system that will cost millions. For the new system to be effective it will also require significant SAP and GIS updates.
	These figures provide an estimated SAIFI of the CoCT network including MV and HV events, but excludes LV events. The estimate is based on kVA capacity lost at 1 customer = 1kVA	New indicator for 2022/23 C88 reporting hence no baseline. Indicator reported on, however all data provided are based on the World Bank measurement, which is estimated data. The City is aligned to the World Bank. Providing actual data to National Treasury will require a sophisticated electronic system that will cost millions. For the new system to be effective it will also require significant SAP and GIS updates.
	Positive variances indicating less electricity losses.	

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTCOME SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
<b>OBJECTIVE 4. WELL-MANAGED AND MODERNISED INFRASTRUCTURE TO SUPPORT ECONOMIC GROWTH</b>						
WS4.1	Percentage of drinking water samples complying to SANS241	98,19%	99,0%	94,5%	4,5%	
WS4.2	Percentage of wastewater samples compliant to water use license conditions	84,14%	80,0%	80,9%	-0,9%	
WS5.1	Percentage of non-revenue water	32,75%	32,0%	34,3%	-2,3%	
WS5.2	Total water losses	306,67	300	373,65	-73,65	
WS5.3	Total per capita consumption of water	151,17	190	168,97		
WS5.4	Percentage of water reused	5,36%	5,0%	5,6%	-0,6%	
<b>PRIORITY: SAFETY</b>						
Let's make Cape Town communities safer by investing in policing capacity and technology, and strengthening partnerships						
<b>OBJECTIVE 5. EFFECTIVE LAW ENFORCEMENT TO MAKE COMMUNITIES SAFER</b>						
FD1.1	Number of fire related deaths per 100 000 population	1,59	<5	5,24	-0,24	
FD1.2	Number of disaster and extreme weather-related deaths per 100 000 population	216,09	142	0,00	142,00	
GG2.3	Protest incidents reported per 10 000 population	0,44	<5	0,55	445,2%	
<b>PRIORITY: HOUSING</b>						
Let's empower the private sector to increase the supply of affordable housing across the formal and informal markets						
HS1.3	Percentage of informal settlements upgraded to Phase 3	N/A	N/A	N/A	N/A	



	REASON(S) FOR VARIATION	COMMENTS
	Achievement is a positive variance indicating that consumers of City of Cape Town are using less water.	
	This is a positive variance that indicates that less protests occurred than anticipated.	
		<p>This indicator was not included in the planning i.e. scorecard as no baseline available as system was not in place for 2022/23 reporting, however reporting will commence from 2023/2024 year.</p> <p>Indicator reported on for Phase 1 and 2 upgrade as part of the Upgrading of Informal Settlement Programme (UISP) this data will be used as baseline for the upgrade to phase 3 which will be reported on from 2023/2024.</p> <p>The constant increase of informal settlements will however remain a challenge for target setting.</p>

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTCOME SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
HS2.2	Percentage of residential properties in the subsidy market	7,01%	7,0%	6,6%	0,4%	
HS2.3	Percentage of households living in formal dwellings who rent [NTTR 1]	24,50%	30,0%	28,6%	0,4%	
<b>OBJECTIVE 8. SAFER, BETTER-QUALITY HOMES IN INFORMAL SETTLEMENTS AND BACKYARDS OVER TIME</b>						
HS1.1	Percentage of households living in adequate housing [NTTR 1]	83,0%	81,0%	83,1%	2,1%	
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES</b>						
Let's restore people's pride in Cape Town by cleaning up our city's public spaces, streets and waterways						
<b>OBJECTIVE 9. HEALTHY AND SUSTAINABLE ENVIRONMENT</b>						
ENV1.3	Percentage of households experiencing a problem with noise pollution [NTTR 1]	Data not provided by NT	11,0%	15,7%	4,7%	
<b>OBJECTIVE 10. CLEAN AND HEALTHY WATERWAYS AND BEACHES</b>						
ENV5.1	Recreational water quality (coastal)	New	75,0%	54,1%	20,9%	
ENV5.2	Recreational water quality (inland)	New	New	N/A	N/A	
<b>OBJECTIVE 11. QUALITY AND SAFE PARKS AND RECREATION FACILITIES</b>						
HS3.5	Percentage utilisation rate of community halls	21,85%	20,0%	23,5%	-3,5%	
HS3.6	Average number of library visits per library	42 736,36	65 000	62 793,31	2 206,69	
HS3.7	Percentage of municipal cemetery plots available	4,0%	6,0%	9,2%	-3,2%	

	REASON(S) FOR VARIATION	COMMENTS
	Actual achieved was calculated based on the data elements provided by NT contained within the GHS.	NTRR1 = National Treasury is responsible to provide the actual achieved (data) via the General Household Survey.
	Actual achieved was calculated based on the data elements provided by NT contained within the GHS.	NTRR1 = National Treasury is responsible to provide the actual achieved (data) via the General Household Survey.
	Actual achieved was calculated based on the data elements provided by NT contained within the GHS.	The data was not provided by National Treasury as its sourced from the General Household Survey.
		No baseline available as system was not in place for 2022/23 reporting.  Indicator not reported on, due to the system not providing auditable data.  Process is underway to investigate a feasible solution.  Reporting will however commence in 2023/2024.



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# APPENDIX L: 2022-2027 CIRCULAR 88 OUTCOME SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION
<b>PRIORITY: TRANSPORT</b>					
Let's improve urban mobility through safe, reliable and affordable public transport and well-maintained roads					
<b>OBJECTIVE 13. SAFE AND QUALITY ROADS FOR PEDESTRIANS, CYCLISTS AND VEHICLES</b>					
TR6.2	Number of potholes reported per 10kms of municipal road network	36,08	56	27,91	28,09
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>					
Let's build a modernised, and administratively efficient government that is financially sustainable and empowers residents to contribute to decision making and improving the city					
<b>OBJECTIVE 16. A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>					
GG1.1	Percentage of municipal skills development levy recovered	123,8%	100,0%	136,6%	-36,6%
GG1.2	Top management stability	55,0%	80,0%	100,0%	-20,0%
GG2.1	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	92,2%	100,0%	87,9%	12,1%
GG2.2	Attendance rate of municipal council meetings by participating leaders (recognised traditional and/or Khoi-San leaders)	N/A	N/A	N/A	N/A
GG4.1	Percentage of councillors attending council meetings	91,6%	75,0%	89,6%	-14,6%
GG5.1	Number of alleged fraud and corruption cases reported per 100 000 population	0,02	4,28	7,26	-2,98
GG5.2	Number of dismissals for fraud and corruption per 100 000 population	0,02	10	0,33	9,67
FM1.1	Percentage of expenditure against total budget	New	94,0%	95,4%	-1,4%
FM2.1	Percentage of total operating revenue to finance total debt (Total Debt (Borrowing) / Total operating revenue)	New	21,0%	16,2%	4,8%
FM2.2	Percentage change in cash backed reserves reconciliation	New	6,0%	-15,4%	21,4%



# APPENDIX L: 2022-2027 CIRCULAR 88 OUTCOME SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
FM3.1	Percentage change in cash and cash equivalent (short term)	New	17,0%	-2,2%	19,2%	
FM4.1	Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	New	30,0%			
FM4.2	Percentage of total operating expenditure on remuneration	New	32,0%	29,4%	2,6%	
FM4.3	Percentage of total operating expenditure on contracted services	New	15,0%	17,0%	-2,0%	
FM5.1	Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure	New	51,0%	27,6%	23,4%	
FM5.2	Percentage change of renewal/upgrading of existing Assets	New	21,0%	11,4%	9,6%	
FM5.3	Percentage change of repairs and maintenance of existing infrastructure	New	11,0%	13,9%	-2,9%	
FM7.1	Percentage change in Gross Consumer Debtors' (Current and Non-current)	New	6,0%	-8,7%	14,7%	
FM7.2	Percentage of Revenue Growth excluding capital grants	New	11,0%	4,8%	6,2%	
FM7.3	Percentage of net operating surplus margin	New	6,0%	2,4%	3,6%	



	REASON(S) FOR VARIATION	COMMENTS
	All 30 June 2023 figures supplied are unaudited and as such provisional in nature till finalisation of Annual Financial Statements audit. The reduction in cash and cash equivalent was due to the net cash outflow achieved in the current year. Target not achieved due to lower borrowings taken up than anticipated.	New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
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		New indicator for 2022/23 C88 reporting hence no baseline.
	All 30 June 2023 figures supplied are unaudited and as such provisional in nature till audit of Annual Financial Statements is finalised.	New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
	<p>The results are for the City as a whole and includes the Trading Services.</p> <p>This ratio is a good indicator to assess whether tariffs and rates are cost reflective or whether tariffs and rates will sufficiently generate revenue to cover all costs associated with providing services. The overall outcome is positive and reflects that the City generates sufficient revenue to cover costs and reflect an operating surplus margin of 2.4%.</p> <p>Capital Transfers and Contributions excluded from calculation. Interest Received:N-C Investments excluded from Revenue as it is not included for purposes to fund the expenditure budget.</p>	New indicator for 2022/23 C88 reporting hence no baseline.

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
<b>PRIORITY: ECONOMIC GROWTH</b>						
Let's make Cape Town the easiest place to do business and create jobs in Africa						
<b>OBJECTIVE 1: INCREASED JOBS AND INVESTMENT IN THE CAPE TOWN ECONOMY</b>						
HS2.22	Average number of days taken to process residential building plan applications of 500 square meters or less	11,33	12,00	13,78	-1,78	
LED1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	91,7%	80,0%	87,8%	-7,8%	
LED1.21	Number of work opportunities created through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)	40 600,00	35 000,00	43 230,00	-8 230,00	
LED1.31	Number of individuals connected to apprenticeships and learnerships through municipal interventions	812,00	900,00	1 053,00	-153,00	
LED2.11	Percentage of budgeted rates revenue collected	95,5%	92,0%	97,0%	-5,0%	
LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services	4,6%	4,0%	3,9%	0,1%	
LED3.11	Average time taken to finalise business license applications	191,22	160,00	126,99	33,01	
LED3.12	Average time taken to finalise informal trading permits	43,38	43,00	34,17	8,83	
LED3.13	Average number of days taken to process building applications of 500 square meters or more	13,38	12,00	28,69	-16,69	

	REASON(S) FOR VARIATION	COMMENTS
	Overall City performance is above the target.	
	The main reason for overachievement is participant turnover; participants do not stay long in a project and new people come in and the project ends up providing more work opportunities than planned.	Corporate Scorecard indicator 1.G.
	The City received grant funding from National Treasury and LGSETA and over invested in the training to develop its staff.	Currently this made up of two separate indicators on the Key Operational Indicators (KOI) schedule. External Trainees and Bursaries and Apprentices.
		It is not possible to provide system reports on the actual expenditure incurred to provide Free Basic Services (FBS) currently. The estimated values are used as actuals in quarterly calculations. Development is underway to enable system reporting.
	There has been operational improvements since the last reporting period and new staff members in three of the four areas which all contributed positively to the improvement in the turn-around time for bay application processes.	N/A

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
LED3.21	Percentage of revenue clearance certificates issued within 10 working days from time of completed application received	96,4%	93,0%	99,85%	-6,9%	
LED3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	221,32	220,00	185,67	34,33	
LED3.32	Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission	99,3%	97,0%	99,7%	-2,7%	
<b>PRIORITY: BASIC SERVICES</b>						
Let's get the basics right as the foundation as the foundation of a healthy and prosperous city						
<b>OBJECTIVE 2. IMPROVED ACCESS TO QUALITY AND RELIABLE BASIC SERVICES</b>						
ENV3.11	Percentage of known informal settlements receiving basic refuse removal services	99,8%	99,0%	99,78%	-0,8%	
WS1.11	Number of new sewer connections meeting minimum standards	8 533,00	4 500,00	8 872,00	-4 372,00	
WS2.11	Number of new water connections meeting minimum standards	2 794,00	2 700,00	4 426,00	-1 726,00	
WS3.11	Percentage of callouts responded to within 24 hours (sanitation/wastewater)	Nil target	Nil target	N/A	N/A	
WS3.21	Percentage of callouts responded to within 24 hours (water)	Nil target	Nil target	N/A	N/A	
WS4.11	Percentage of water treatment capacity unused	51,2%	47,7%	48,1%	-0,4%	

	REASON(S) FOR VARIATION	COMMENTS
	Positive variance.	Corporate Scorecard indicator 1.C.
	Immaterial variance.	Corporate Scorecard indicator 2.C
	The actual achieved included all new sewer connections.	
	The actual achieved included all new water connections.	
		<p>The City currently does not have systems in place to report on this indicator in a cost effective and auditable manner.</p> <ul style="list-style-type: none"> <li>- An IT system (RIMA 2) with the ability to report on such indicators is in development.</li> <li>- The RIMA 2 (mobile application) is anticipated to be completed by the end of the 2022/23, with roll-out or implementation commencing in 2023/2024. The anticipated planned completion is 2024.</li> </ul>
		<p>The City currently does not have systems in place to report on this indicator in a cost effective and auditable manner.</p> <ul style="list-style-type: none"> <li>- An IT system (RIMA 2) with the ability to report on such indicators is in development.</li> <li>- The RIMA 2 (mobile application) is anticipated to be completed by the end of the 2022/23, with roll-out or implementation commencing in 2023/2024. The anticipated planned completion is 2024.</li> </ul>

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
<b>OBJECTIVE 3. END LOAD-SHEDDING IN CAPE TOWN OVER TIME</b>						
EE1.11	Number of dwellings provided with connections to mains electricity supply by the municipality	3 156,00	No target - customer driven	3 259,00		
EE1.13	Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	66,1%	95,0%	67,3%	27,7%	
EE2.11	Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	2,8%	No target - customer driven	3,2%		
EE3.11	Percentage of unplanned outages that are restored to supply within industry standard timeframes	99,7%	100,0%	100,0%	0,0%	
EE3.21	Percentage of planned maintenance performed	102,3%	95,0%	100,9%	-5,9%	
EE4.12	Installed capacity of approved embedded generators on the municipal distribution network	19,49	5,00	27,68	-22,68	
<b>OBJECTIVE 4. WELL-MANAGED AND MODERNISED INFRASTRUCTURE TO SUPPORT ECONOMIC GROWTH</b>						
WS4.21	Percentage of industries with trade effluent inspected for compliance	54,6%	86,0%	91,7%	-5,7%	
WS4.31	Percentage of wastewater treatment capacity unused	28,0%	26,2%	20,7%	5,5%	

	REASON(S) FOR VARIATION	COMMENTS
	Customer demand driven target.	
	Customer demand driven target.	
		No system in place to measure the budgeted/actual number of maintenance jobs for planned/preventative maintenance. Currently reporting on % repairs and maintenance spent. A system was being developed to report on this indicator. Reporting will commence in Q3 and Q4 of the 2023-2024 financial year.
	Customer driven therefore not in control of KPI	Corporate Scorecard indicator 3.A
	<p>The target was set, taking into account projected catchment growth and new treatment capacity, but ignoring potential changes in stormwater infiltration because rainfall patterns and associated stormwater ingress are difficult to predict.</p> <p>The calculated percentage is therefore significantly influenced by the infiltration into the sewer network during the year under consideration, i.e. an uncharacteristically wet year will result in a significantly reduced percentage, while an uncharacteristically dry year will result in an increased percentage.</p> <p>The fluctuations caused by stormwater ingress into the sewer network are difficult to predict, and they may overshadow any increases or decreases caused by catchment growth vs. available WwTW capacity, which we assume this KPI is meant to indicate. However, the respective WwTWs are designed to accommodate an increased flow during the wet season, and this is not taken into account by the prescribed calculation method.</p>	

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
WS5.21	Infrastructure Leakage Index	3,70	5,00	4,55	0,45	
WS5.31	Percentage of total water connections metered	97,1%	96,0%	97,1%	-1,1%	
<b>PRIORITY: SAFETY</b>						
Let's make Cape Town communities safer by investing in policing capacity and technology, and strengthening partnerships						
<b>OBJECTIVE 5: EFFECTIVE LAW ENFORCEMENT TO MAKE COMMUNITIES SAFER</b>						
FD1.11	Percentage compliance with the required attendance time for structural firefighting incidents	70,5%	70,0%	67,6%	2,4%	
<b>PRIORITY: HOUSING</b>						
Let's empower the private sector to increase the supply of affordable housing across the formal and informal markets						
<b>OBJECTIVE 7. INCREASED SUPPLY OF AFFORDABLE, WELL LOCATED HOMES</b>						
HS1.11	Number of subsidised housing units constructed using various human settlements programmes	2 517,00	1 740,00			
HS1.12	Number of serviced sites	2 517,00	2 600,00	1 638,00	962,00	
HS1.13	Hectares of land acquired for human settlements in Priority Housing Development Areas	43,86	10,00			
HS1.22	Number of title deeds registered to beneficiaries	482,00	400,00	1 075,00	-675,00	
HS2.21	Number of rateable residential properties in the subsidy housing market entering the municipal valuation roll	2 350,00	2 400,00	1 794,00	606,00	



	REASON(S) FOR VARIATION	COMMENTS
		This indicator involves an estimate. National Treasury(NT) allows for a municipal expert to determine the estimate with the Technical Indicator Description (TID) as issued by NT.
	CCT aims to meter all (100%) water connections. However, CCT estimates a 97.09% metered connections. Action is taken where unmetered connections are discovered.	Indicator reported on, however measuring the 'number of unmetered connections' are based on estimate, due to no reliable system in place to measure accurate data. A potential feasible system is being researched.
		The performance reported is until Q3 due to system (BI) challenges. Fire Services are engaging with IT for assistance.
		Reporting on this indicator was exempted by National Treasury hence no actual will be reported for the 2022/23 financial year.
	The Delft Symphony Way project was terminated as a result of ongoing violence and intimidation, which led to four construction workers being shot, the construction site being petrol bombed and, ultimately, the murder of a City official. This resulted in the first phase not being completed before the end of the financial year. The panel for the construction of civil services will be used to complete the sites.	
		Reporting on this indicator was exempted by National Treasury hence no actual will be reported for the 2022/23 financial year.
	More title deeds were registered than initially planned.	
	Achievement was lower due to the lower number of subsidy properties constructed.	

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

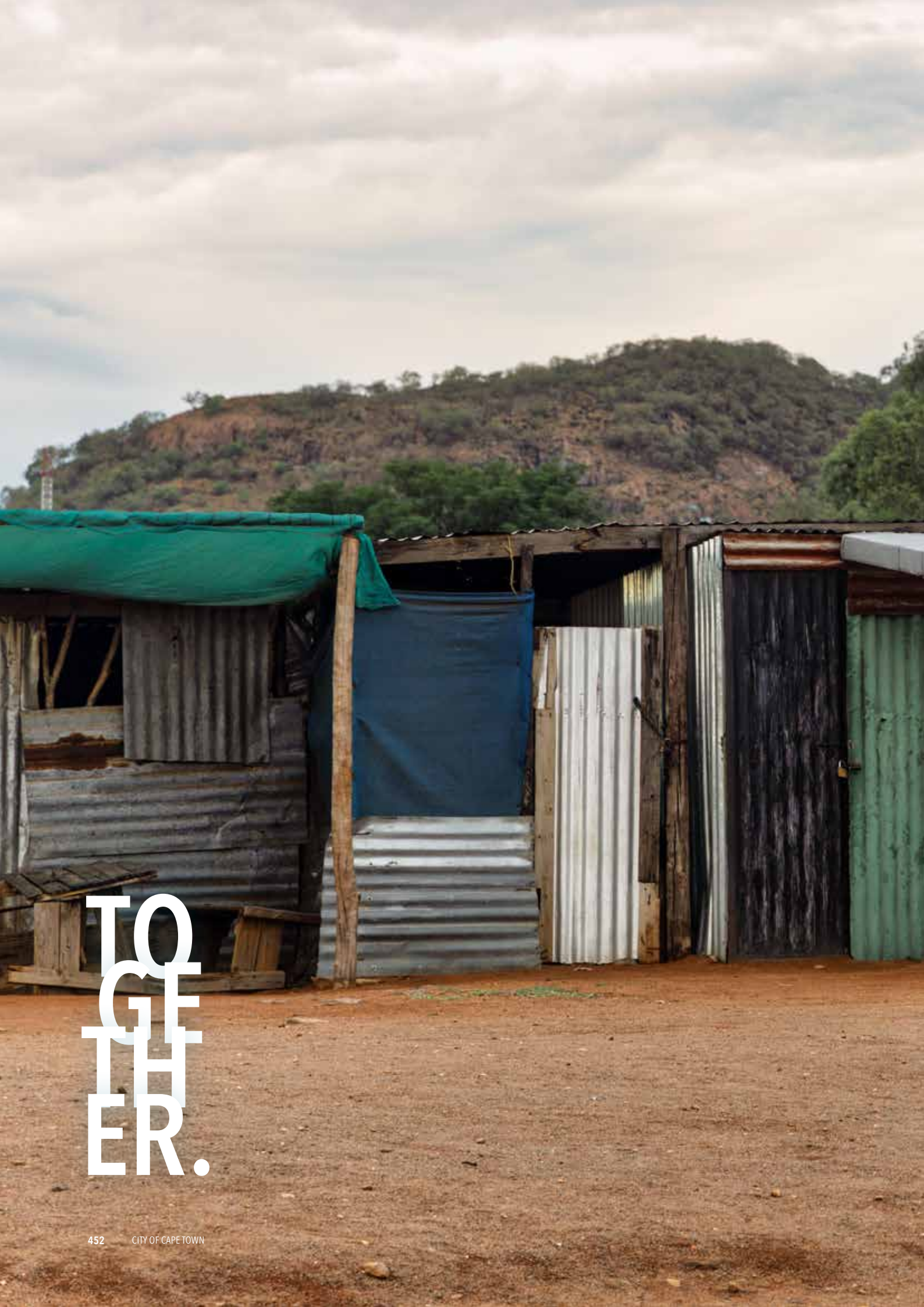
KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
<b>OBJECTIVE 8. SAFER, BETTER QUALITY HOMES IN INFORMAL SETTLEMENTS AND BACKYARDS OVER TIME</b>						
HS1.31	Number of informal settlements assessed (enumerated and classified)	728,00	5,00	19,00	-14,00	
HS1.32	Number of informal settlements upgraded to Phase 2	24,00	15,00	15,00	0,00	
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES</b>						
Let's restore people's pride in Cape Town by cleaning up our city's public spaces, streets and waterways						
<b>OBJECTIVE 9. HEALTHY AND SUSTAINABLE ENVIRONMENT</b>						
ENV1.12	Percentage of AQ monitoring stations providing adequate data over a reporting year	7,7%	70,0%	8,3%	61,7%	
ENV4.11	Percentage of biodiversity priority area within the municipality	34,18%	34,18%	33,4%	0,8%	
ENV4.21	Percentage of biodiversity priority areas protected	76,78%	65,33%	65,1%	0,2%	
<b>OBJECTIVE 10: CLEAN AND HEALTHY WATERWAYS AND BEACHES</b>						
ENV5.11	Percentage of coastline with protection measures in place	6,2%	6,27%	6,2%	0,1%	
ENV5.12	Number of coastal water samples taken for monitoring purposes	401,00	99,00	1 167,00	-1 068,00	
ENV5.21	Number of inland water samples taken for monitoring purposes	2 224,00	2 300,00	2 664,00	-364,00	

	REASON(S) FOR VARIATION	COMMENTS
	<p>The underachievement is based on the impact of load-shedding over the past three years. During load-shedding periods analysers are not operational and after load-shedding periods these analysers are subjected to restarts and in order to record credible data, it goes through a stabilisation phase.</p> <p>Secondly, the consistent load-shedding has caused severe damage to the analysers electronic and hardware components, resulting in data being recorded not being credible and analysers being removed from service for lengthy maintenance and repairs.</p> <p>Furthermore the manner in how this indicator is defined adds to the difficulty in achieving the stated targets.</p>	<p>In order to achieve these data capturing targets, the installation of UPS's and inverters have been proposed but it is subject to budget requirements. Also the technical challenges for the installation of UPS's and inverters is a major issue.</p>
	Immaterial variance.	
	The target for June 2023 was not met due to the gazetted abolition (deproclamation) of CapeNature's Driftsands Nature Reserve on 21 November 2022.	
	More samples were taken than planned.	
	More samples were taken than planned.	

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
<b>PRIORITY: TRANSPORT</b>						
Let's improve urban mobility through safe, reliable and affordable public transport and well-maintained roads						
<b>OBJECTIVE 12. A SUSTAINABLE TRANSPORT SYSTEM THAT IS INTEGRATED, EFFICIENT AND PROVIDES SAFE AND AFFORDABLE TRAVEL OPTIONS FOR ALL</b>						
TR4.21	Percentage of municipal bus services 'on time'	77,8%	73,0%	73,1%	-0,1%	
TR5.11	Number of scheduled public transport access points added	0,00	0,00	0,00	0,00	
TR5.31	Percentage of scheduled municipal bus service stops that are universally accessible	100,0%	96,0%	97,5%	-1,5%	
<b>OBJECTIVE 13: SAFE AND QUALITY ROADS FOR PEDESTRIANS, CYCLISTS AND VEHICLES</b>						
TR5.41	Length of NMT paths built	22,4	9,5			
TR6.11	Percentage of unsurfaced road graded	85,6%	100,0%	81,2%	18,8%	
TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	1,9%	1,87%	2,0%	-0,1%	
TR6.13	KMs of new municipal road network	0,60	0,00	0,00	0,00	
TR6.21	Percentage of reported pothole complaints resolved within standard municipal response time	51,00%	50,00%	53,98%	-3,98%	

	REASON(S) FOR VARIATION	COMMENTS
		<p>According to the National Treasury definition this indicator can only be measured in terms of the following "The number of new public transport access points which has been constructed and operational in terms of the municipality's functional responsibilities (thus excluding commuter rail stations). A scheduled public transport service in this regard refers to a bus service provided by the municipal fleet (contracted or owned) at periodic intervals."</p> <p>The City planned for a zero target, for the first four years of the IDP term, which is allowed as per guidance from NT.</p>
		<p>Indicator reported on, however measuring trips and not 'stops'. NT amended the definition for the 2023/2024 to measure 'trips' which is aligned to City's methodology.</p>
		<p>This indicator is categorised as Tier 4 per National Treasury and therefore are not required to report on it.</p>
	<p>1. Striving to grade all roads at least once a year. However some roads have to be graded multiple times due to condition and traffic volumes.</p> <p>2. We had higher levels of rain during this quarter which delayed the output.</p>	<p>Target need to be adjusted in the next financial year to reflect performance criteria in practice.</p>
		<p>No work was planned for the 2022/23 financial year due to fact that the tender was still in progress.</p> <p>The indicator has a target set from the 2023/2024 financial year and the next three years and will be reported on accordingly.</p> <p>The City planned for a zero target, which is allowed as per guidance from NT.</p>



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# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>						
Let's build a modernised, and administratively efficient government that is financially sustainable and empowers residents to contribute to decision making and						
Objective 16. A Capable and Collaborative City Government						
GG1.21	Staff vacancy rate	11,3%	≤ 10%	9,3%	0,7%	
GG1.22	Percentage of vacant posts filled within 3 months	32,2%	35,0%	40,8%	-5,8%	
GG2.11	Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)	52,6%	80,0%	81,0%	-1,0%	
GG2.12	Percentage of wards that have held at least one councillor-convened community meeting	1 001,7%	100,0%	3 322,41%	-3 222,4%	
GG2.31	Percentage of official complaints responded to through the municipal complaint management system	85,35%	90,0%	87,94%	2,1%	
GG3.11	Number of repeat audit findings	5	5	Outstanding		
GG3.12	Percentage of councillors who have declared their financial interests	98,7%	100,0%	100,0%	0,0%	
GG5.11	Number of active suspensions longer than three months	2,00	≤5	2,00	3,00	
GG5.12	Quarterly salary bill of suspended officials	R 1 851 744	≤ R3 000 000	R 2 064 165	R 935 835	
FM1.11	Total Capital Expenditure as a percentage of Total Capital Budget	New	90,0%	92,3%	-2,3%	
FM1.12	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	New	94,4%	97,8%	-3,4%	
FM1.13	Total Operating Revenue as a percentage of Total Operating Revenue Budget	New	101,75%	100,5%	1,3%	



	REASON(S) FOR VARIATION	COMMENTS
improving the city		
	<p>There is an error in the National Treasury (NT) formula. The numerator is cumulative for the full 12 months period but the denominator is not equalised for the 12 month period i.e. four quarters.</p> <p>The error have been addressed by NT in the TID issued in 2022 applicable for the 2023/2024 FY.</p>	
		Reporting on this indicator is a National Treasury Reporting Responsibility. Will remain outstanding until received from National Treasury.
	More suspensions were processed at a faster period than expected.	
	The fast tracking of suspensions resulted in a lower amount.	
	The City opted to use the original budget as the TID provides the option to use either original or adjusted budget.	<p>New indicator for 2022/23 C88 reporting hence no baseline. Corporate Scorecard indicator 16.D.</p> <p>The Corporate Scorecard baseline for 2021/22 was 89.03%.</p>
		New indicator for 2022/23 C88 reporting hence no baseline.
	The variance is considered immaterial.	New indicator for 2022/23 C88 reporting hence no baseline.

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
FM1.14	Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget	New	94,0%	97,6%	-3,6%	
FM1.21	Funded budget (Y/N) (Municipal)	New	1,00	1,00	0	
FM2.21	Cash backed reserves reconciliation at year end	New	R 3.34 bn	992 304 997,63	-992 304 994,29	
FM3.11	Cash/Cost coverage ratio	New	1.7 : 1	3.32 : 1	-1.62 : 1	
FM3.12	Current ratio (current assets/current liabilities)	New	2.24 : 1	1.64 : 1	0.60 : 1	
FM3.13	Trade payables to cash ratio	New	81%	104%	-23%	
FM3.14	Liquidity ratio	New	0.56 : 1	0.65 : 1	-0.09 : 1	
FM4.11	Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure	New	0,25%	0,2%	0,0%	
FM4.31	Creditors payment period	New	< 30 days	20.76 days	9.24 days	
FM5.11	Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)	New	70,0%	68,6%	1,4%	
FM5.12	Percentage of total capital expenditure funded from capital conditional grants	New	36,00%	32,7%	3,3%	
FM5.21	Percentage of total capital expenditure on renewal/upgrading of existing assets	New	52,00%	51,4%	0,6%	

	REASON(S) FOR VARIATION	COMMENTS
	Overall City performance is above the target.	New indicator for 2022/23 C88 reporting hence no baseline.
	Yes – budget is funded.	New indicator for 2022/23 C88 reporting hence no baseline.
	All 30 June 2023 figures supplied are unaudited and as such provisional in nature till finalization of Annual Financial Statements audit. The actual result is lower than target due to higher capital replacement reserves provisioned at 30 June 2023. However, the City has adequate cash and investments to cover its financial obligations. Actual achievement is R1 828 264 370.23 Data element 4 = -R41 459 678.51 Data element 5 = -R376 520 007.79	New indicator for 2022/23 C88 reporting hence no baseline. Target was set in billions.
	All 30 June 2023 figures supplied are unaudited and as such provisional in nature till audit of Annual Financial Statements are finalised.	New indicator for 2022/23 C88 reporting hence no baseline.
	All 30 June 2023 figures supplied are unaudited and as such provisional in nature till audit of Annual Financial Statements are finalised.	New indicator for 2022/23 C88 reporting hence no baseline.
	All 30 June 2023 figures supplied are unaudited and as such provisional in nature till audit of Annual Financial Statements are finalised.	New indicator for 2022/23 C88 reporting hence no baseline.
	All 30 June 2023 figures supplied are unaudited and as such provisional in nature till audit of Annual Financial Statements are finalised.	New indicator for 2022/23 C88 reporting hence no baseline.
	Irregular, Unauthorised, Fruitless and Wasteful Expenditure as per Note submitted, and is based on current unaudited figures which is subject to change with the completion of AFS 2022/23 and therefore provisional in nature.	New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	ANNUAL TARGET FOR 2022/23	ACTUAL ACHIEVED FOR 2022/23	VARIATION	
FM5.22	Renewal/Upgrading of Existing Assets as a percentage of Depreciation/Asset impairment	New	120,63%	109,2%	11,4%	
FM5.31	Repairs and Maintenance as a percentage of property, plant, equipment and investment property	New	8,50%	8,5%	-0,0%	
FM6.12	Percentage of awarded tenders [over R200k], published on the municipality's website	New	98,00%	100,0%	-2,0%	
FM6.13	Percentage of tender cancellations	New	15,00%	12,9%	2,1%	
FM7.11	Debtors payment period	New	30	25,74	4,26	
FM7.12	Collection rate ratio	New	95,00%	96,9%	-0,02	
FM7.31	Net Surplus /Deficit Margin for Electricity	New	0	-1,8%	1,8%	
FM7.32	Net Surplus /Deficit Margin for Water	New	0	9,3%	-9,3%	
FM7.33	Net Surplus /Deficit Margin for Wastewater	New	0	-15,9%	15,9%	
FM7.34	Net Surplus /Deficit Margin for Refuse	New	0	-0,5%	0,5%	

	REASON(S) FOR VARIATION	COMMENTS
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
	The negative result is a combined result of the following major contributors : (i)Lower than estimated Electricity Sales due to Load-shedding Impact; (ii)Higher than estimated Provision for Bad Debts as a result of calculated payment ratio; and (iii) Lower than estimated Bulk Purchases due to Load-shedding Impact. Future Targets to be reviewed during review process.	New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
		New indicator for 2022/23 C88 reporting hence no baseline.
	The actual outcome is negative 0.5% and is the result of various revenue and expenditure items being slightly over/under when compared to budget. Variance seen as immaterial. Future Targets to be reviewed during review process.	New indicator for 2022/23 C88 reporting hence no baseline.

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	FREQUENCY OF REPORTING	ACTUAL ACHIEVED FOR 2022/23
<b>PRIORITY: ECONOMIC GROWTH</b>				
Let's make Cape Town the easiest place to do business and create jobs in Africa				
<b>OBJECTIVE 1. INCREASED JOBS AND INVESTMENT IN THE CAPE TOWN ECONOMY</b>				
C8	Number of councillors completed training	283,00	Quarterly	228,00
C9	Number of municipal officials completed training	30 747,00	Quarterly	50 036,00
C29	Number of approved applications for rezoning a property for commercial purposes	60,00	Quarterly	31,00
C76	Number of SMMEs and informal businesses benefitting from municipal digitisation support programmes rolled out directly or in partnership with other stakeholders	1 184,00	Quarterly	208,00
C81	Number of new business license applications	1 995,00	Quarterly	2 263,00
C82	Value of Commercial Projects Constructed by adding all of the estimated costs of construction values on building permits	1 671 545 858,00	Annually	355 797 432,00
C83	Number of building plans approved after first review	5 605,00	Quarterly	3 922,00
C84	Number of building plans submitted for review	21 944,00	Quarterly	15 420,00
C85	Number of business licenses renewed	N/A	Quarterly	N/A
C95	Number of residential properties in the billing system	New	Annually	804 717,00
C96	Number of non-residential properties in the billing system	New	Annually	238 578,00
C97	Number of properties in the valuation roll	New	Annually	918 622,00
<b>PRIORITY: BASIC SERVICES</b>				
Let's get the basics right as the foundation as the foundation of a healthy and prosperous city				
<b>OBJECTIVE 2. IMPROVED ACCESS TO QUALITY AND RELIABLE BASIC SERVICES</b>				
C60	Total number of sewer connections	663 953,00	Quarterly	670 204,00
C61	Total number of chemical toilets in operation	13 470,00	Quarterly	14 966,00
C62	Total number of Ventilation Improved Pit Toilets (VIPs)	55,00	Annually	55,00
C63	Total volume of water delivered by water trucks	60 223,50	Quarterly	12 768,00
<b>OBJECTIVE 3. END LOAD-SHEDDING IN CAPE TOWN OVER TIME</b>				
C56	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level standards)	N/A	Quarterly	N/A
C57	Number of registered electricity consumers with a mini grid-based system in the municipal service area	N/A	Quarterly	N/A

	COMMENTS
	Legislation in the Western Cape Province and City of Cape Town does not make provision for licenses to be renewed. Therefore, unable to report on this indicator. However, the indicator was included for completeness.
	New indicator for 2022/23 C88 reporting hence no baseline.
	New indicator for 2022/23 C88 reporting hence no baseline.
	New indicator for 2022/23 C88 reporting hence no baseline.
	These are not functions of the City performs as it is not a licensed Energy distributor as the National Energy Regulator of South Africa but the City is a licensed Electricity distributor.
	A mini-grid is defined as being a stand-alone grid outside of the City's supply. These would not be City Electricity customers and therefore the City does not have a system in place to track this indicator.



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# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	FREQUENCY OF REPORTING	ACTUAL ACHIEVED FOR 2022/23	
C58	Total non-technical electricity losses in MWh (estimate)	342 973,00	Quarterly	289 540,00	
C59	Number of municipal buildings that consume renewable energy	New	Quarterly	14,00	
<b>OBJECTIVE 4. WELL-MANAGED AND MODERNISED INFRASTRUCTURE TO SUPPORT ECONOMIC GROWTH</b>					
C46	Number of approved waste management posts in the municipality	N/A	Annually	3 449,00	
C47	Number of waste management posts filled	N/A	Quarterly	3 190,00	
<b>PRIORITY: SAFETY</b>					
Let's empower the private sector to increase the supply of affordable housing across the formal and informal markets					
<b>OBJECTIVE 5. EFFECTIVE LAW ENFORCEMENT TO MAKE COMMUNICATION SAFER</b>					
C67	Number of paid full-time firefighters employed by the municipality	956,00	Quarterly	961,00	
C73	Number of structural fires occurring in informal settlements	579,00	Quarterly	1 855,00	
C74	Number of dwellings in informal settlements affected by structural fires (estimate)	1 468,00	Quarterly	6 324,00	
<b>PRIORITY: HOUSING</b>					
Let's empower the private sector to increase the supply of affordable housing across the formal and informal markets					
<b>OBJECTIVE 7. INCREASED SUPPLY OF AFFORDABLE, WELL LOCATED HOMES</b>					
C55	Number of housing recipients issued with title deeds	482,00	Annually	166,00	
<b>PRIORITY: PUBLIC SPACE, ENVIRONMENT AND AMENITIES</b>					
Let's restore people's pride in Cape Town by cleaning up our city's public spaces, streets and waterways					
C52	Number of maintained sports fields and facilities	161,00	Annually	158,00	
C53	Square meters of maintained public outdoor recreation space	55 052 726,00	Annually	55 052 726,00	
C54	Number of municipality-owned community halls	188,00	Annually	202,00	
<b>PRIORITY: TRANSPORT</b>					
Let's improve urban mobility through safe, reliable and affordable public transport					
<b>OBJECTIVE 12. A SUSTAINABLE TRANSPORT SYSTEM THAT IS INTEGRATED, EFFICIENT AND PROVIDES SAFE AND AFFORDABLE TRAVEL OPTIONS FOR ALL</b>					
C64	R-value of all direct municipal vehicle operational costs for public transport	R 553 926 618,12	Quarterly	754 067 066,00	

	COMMENTS
	<p>During the planning phase the indicator could not be planned for due to generic job descriptions that were adopted for all appointments and definitional clarifications that were required.</p> <p>Reporting commenced during the current financial year as waste posts are ring-fenced to specific departments.</p>
	<p>During the planning phase the indicator could not be planned for due to generic job descriptions that were adopted for all appointments and definitional clarifications that were required.</p> <p>Reporting commenced during the current financial year as waste posts are ring-fenced to specific departments.</p>
	<p>Performance achievement is up until Q3 due to system (BI) challenges experienced.</p>

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	FREQUENCY OF REPORTING	ACTUAL ACHIEVED FOR 2022/23	
C65	Total number of scheduled public transport access points	N/A	Quarterly	1 440,00	
C66	Number of weekday passenger trips on scheduled municipal bus services	11 721 084,00	Quarterly	16 686 193,00	
<b>PRIORITY: A RESILIENT CITY</b>					
Let's build a resilient and climate-responsive city by reducing our vulnerability to shocks and stresses					
<b>OBJECTIVE 14. A RESILIENT CITY</b>					
C69	Number of 'displaced persons' to whom the municipality delivered assistance	4 321,00	Quarterly	23 081,00	
C72	Date of the last municipal Disaster Management Plan tabled at Council	9/29/2021	Annually	9/29/2021	
C75	Number of people displaced within the municipal area	4 321,00	Quarterly	23 081,00	
C90	Date of the last Climate Change Needs and Response Assessment tabled at Council	9/5/2019	Annually	9/5/2019	
C91	Date of the last Climate Change Response Implementation Plan tabled at Council	5/27/2021	Annually	5/27/2021	
<b>PRIORITY: A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>					
Let's build a modernised, and administratively efficient government that is financially sustainable and empowers residents to contribute to decision making and					
<b>OBJECTIVE 16. A CAPABLE AND COLLABORATIVE CITY GOVERNMENT</b>					
C1	Number of signed performance agreements by the MM and section 56 managers	7,00	Quarterly	13,00	
C2	Number of ExCo or Mayoral Executive meetings held	23,00	Quarterly	24,00	
C3	Number of Council portfolio committee meetings held	108,00	Quarterly	127,00	
C4	Number of MPAC meetings held	14,00	Quarterly	12,00	
C5	Number of recognised traditional leaders within your municipal boundary	N/A	Annually	N/A	
C6	Number of formal (minuted) meetings between the Mayor, Speaker and MM were held to deal with municipal matters	19,00	Quarterly	16,00	
C7	Number of formal (minuted) meetings - to which all senior managers were invited- held	21,00	Quarterly	21,00	
C10	Number of work stoppages occurring	0,00	Quarterly	4,00	
C11	Number of litigation cases instituted by the municipality	106,00	Quarterly	112,00	

	COMMENTS
	No reporting took place in the prior financial year due to definitional clarifications and no system in place. Reporting commenced in the 2022/23.
improving the city	
	City of Cape Town does not have any traditional leaders, therefore the indicator is not applicable.
	In the prior financial year there was zero work stoppages indicating that staff continued working without any disruptions to service delivery.

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

KEY PERFORMANCE INDICATOR		BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	FREQUENCY OF REPORTING	ACTUAL ACHIEVED FOR 2022/23	
C12	Number of litigation cases instituted against the municipality	702,00	Quarterly	674,00	
C13	Number of forensic investigations instituted	294,00	Quarterly	327,00	
C14	Number of forensic investigations conducted	86,00	Quarterly	132,00	
C15	Number of days of sick leave taken by employees	210 574,57	Quarterly	342 523,00	
C16	Number of permanent employees employed	27 784,00	Quarterly	29 106,00	
C17	Number of temporary employees employed	1 618,00	Quarterly	1 565,00	
C18	Number of approved demonstrations in the municipal area	303,00	Quarterly	322,00	
C19	Number of recognised traditional and Khoi-San leaders in attendance (sum of) at all council meetings	N/A	Quarterly	N/A	
C20	Number of permanent environmental health practitioners employed by the municipality	149,00	Quarterly	193,00	
C21	Number of approved environmental health practitioner posts in the municipality	160,00	Annually	193,00	
C22	Number of Council meetings held	12,00	Quarterly	12,00	
C23	Number of disciplinary cases for misconduct relating to fraud and corruption	3,00	Quarterly	8,00	
C24	Number of council meetings disrupted	0,00	Quarterly	1,00	
C25	Number of protests reported	198,00	Quarterly	252,00	
C26	R-value of all tenders awarded	R 29 734 144,88	Quarterly	27 921 164 812,19	
C27	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations:	37,00	Quarterly	24,00	
C28	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	R 622 831 222,73	Quarterly	223 173 842,62	
C41	Number of approved engineer posts in the municipality	N/A	Annually	N/A	
C42	Number of registered engineers employed in approved posts	N/A	Quarterly	N/A	

	COMMENTS
	City of Cape Town does not have any traditional leaders, therefore the indicator is not applicable.
	In the prior financial year there was zero Council meeting disruptions occurred to the the point where the council meeting could not proceed.
	As per the Technical Indicator Description (TID) definitions, rates based deviations are reported at potential expenditure value incurred for the award. Therefore rates based awards are reported at Bid Initiation Form (BIF) value. Fixed awards are reported at actual award value.
	Indicator not reported, due to no system in place to measure the Key Performance Indicator (KPI) as generic job descriptions are adopted for all appointments. A process is underway to investigate a feasible solution. Reporting will commence in 2023/2024.
	Indicator not reported, due to no system in place to measure the Key Performance Indicator (KPI) as generic job descriptions are adopted for all appointments. A process is underway to investigate a feasible solution. Reporting will commence in 2023/2024.

# APPENDIX L: 2022-2027 CIRCULAR 88 OUTPUT SCORECARD (REFERENCE ANNEXURE)

	KEY PERFORMANCE INDICATOR	BASELINE (ANNUAL PERFORMANCE OF 2021/22 VERIFIED)	FREQUENCY OF REPORTING	ACTUAL ACHIEVED FOR 2022/23	
C43	Number of engineers employed in approved posts	N/A	Quarterly	N/A	
C44	Number of disciplinary cases in the municipality	626,00	Quarterly	636,00	
C45	Number of finalised disciplinary cases	87,00	Quarterly	525,00	
C71	Number of procurement processes where disputes were raised	33,00	Quarterly	16,00	
C77	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	R 12 406 317 857,77	Quarterly	14 461 171 102,67	
C78	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	R 7 234 887 058,23	Quarterly	7 988 718 404,15	
C79	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	R 29 501 448 385,37	Quarterly	33 361 309 916,73	
C80	Date of the last Council adopted Development Charges policy	5/27/2020	Annually	5/27/2020	
C86	Number of households in the municipal area registered as indigent	243 367,00	Quarterly	186 520,00	
C87	Number of firms in the formal sector split across 1-digit SIC codes	N/A	Annually	N/A	
C88	Number of businesses registered with the South African Revenue Service within the municipal area	N/A	Annually	N/A	
C92	Number of agenda items deferred to the next council meeting	1,00	Quarterly	17,00	
C93	Number of awards made in terms of SCM Reg 32	N/A	Quarterly	0,00	
C94	Number of requests approved for deviation from approved procurement plan	N/A	Quarterly	0,00	



	COMMENTS
	<p>Indicator not reported, due to no system in place to measure the Key Performance Indicator (KPI) as generic job descriptions are adopted for all appointments.</p> <p>A process is underway to investigate a feasible solution.</p> <p>Reporting will commence in 2023/2024.</p>
	Baselines not provided by National Treasury and exempted for the 2021/22 and 2022/2024 financial year hence no baseline and actual to report for 2022/23 reporting year.
	Baselines not provided by National Treasury and exempted for the 2021/22 and 2022/2024 financial year hence no baseline and actual to report for 2022/23 reporting year.
	This indicator was previously reported as GG4.11 and therefore the trend will continue to be tracked under C92.
	<p>Zero awards was made in terms of this SCM regulations.</p> <p>New indicator for 2022/23 C88 reporting hence no baseline.</p>
	<p>Zero deviations was made in terms of approved procurement plan.</p> <p>New indicator for 2022/23 C88 reporting hence no baseline.</p>

# APPENDIX M: LIST OF REFERENCES TO WORLD BANK INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

FRAMEWORK REFERENCE	DESCRIPTION	PAGE REFERENCE
2B	Value creation, preservation or erosion for the organisation and for others	42
2C	The capitals	42
2D	Process through which value is created, preserved or eroded	44
3A	Strategic focus and future orientation	40
3B	Connectivity of information	*
3C	Stakeholder relationships	54
3D	Materiality	28
3E	Conciseness	*
3F	Reliability and completeness	*
3G	Consistency and comparability	*
4A	Organisational overview and external environment	4
4B	Governance	30
4C	Business model	42
4D	Risks and opportunities	50
4E	Strategy and resource allocation	40
4F	Performance	60 and 314
4G	Outlook	6
4H	Basis of preparation and presentation	26

\* Throughout the City's Integrated Annual Report.

## ACKNOWLEDGEMENTS

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Finance





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